

## 2023 Rhode Island End of Legislative Session Report

Community Associations Institute's (CAI) Rhode Island Legislative Action Committee (RILAC) had a very busy legislative session advocating on behalf of the <u>approximately 91,000 Rhode Islanders live in 37,000 homes in fewer than 2,000 community associations</u>. There were more than 2,500 bills introduced, and the RI LAC closely monitored the following bills that will directly impact community associations. Below is a brief overview:

HB 5416/SB 165, AN ACT RELATING TO PROPERTY -- CONDOMINIUM OWNERSHIP (Provides that a condo unit owners policy would be the primary insurance policy with respect to any loss covered by the association's policy but not payable under the association's policy because of the application of the deductible.) The RI LAC championed this bill which is applicable to Condominiums created prior to July 1, 1082 and states that in cases where the association's policy does not cover a loss due to the application of the deductible, the primary insurance policy would be the condo unit owners' policy. This change is consistent with the law passed last year applicable to Condominiums created after July 1, 1982.

Status: PASSED, effective June 19, 2023

HB 5843/SB 1083, AN ACT RELATING TO PROPERTY -- CONDOMINIUM LAW (Provides that the "meetings" requirements from § 34-36.1-3.08 be applicable to condominiums created before July 1, 1982 and would permit remote participation in condominium meetings.) The RI LAC championed this legislation for the second legislative session in a row. This legislation would allow condominium associations to utilize remote methods of holding meetings. In response to the COVID-19 pandemic, 20 states have codified the ability of community associations to meet virtually or remotely to ensure safety and efficiency in association business, while increasing participation of members. The RI LAC will continue to spearhead this effort in coming legislative sessions.

Status: Failed sine die.

HB 6050/SB 916, AN ACT RELATING TO CORPORATIONS -- THE RHODE ISLAND LIMITED -LIABILITY COMPANY ACT (Replaces the existing limited liability company act with a newer and updated model act.) This legislation would have made conforming updates to the Limited Liability Company Act in the Rhode Island statutes, ensuring that community associations incorporated as LLCs, would be operating on the most up-to-date version of the Act.

Status: Failed sine die.

HB 6024/SB 1084, An Act Relating To Property - AN ACT RELATING TO PROPERTY -- CONDOMINIUM LAW (Provides that the "rights of secured lenders" provision from § 34-36.1-2.19 be applicable to condominiums created before July 1, 1982 and creates a process for condominium associations to notify unit mortgage holders for certain association actions.) The RI LAC supported this legislation aimed at modernizing the process of obtaining mortgage holder approval for certain amendments to an association's governing documents. At present, association business often encounters obstacles due to statutory provisions and governing document requirements that necessitate "mortgagee approval." These requests for approval are frequently met with silence from national lender entities, effectively hindering associations from making crucial changes to their documents. By aligning Rhode Island with other states like Massachusetts and adhering to FNMA guidelines, House Bill 6024 attempted to bring significant benefits to Rhode Island associations. This legislation would have enabled unit owners of condominiums to conduct association business more effectively and efficiently, greatly enhancing their overall experience.

## **Status: Failed sine die.**

For more information on the RI LAC's activities and community association legislation in Rhode Island, visit <a href="http://www.caionline.org/RILAC">http://www.caionline.org/RILAC</a>.

## Your Assistance is Needed

The CAI Rhode Island LAC uses professional lobbyists as a vital and integral part of the legislative process. As volunteers, CAI RI LAC members significantly rely on this highly effective professional representation. To help fund the CAI RI LAC advocacy activities in 2023 and beyond, donations are vital to our continued successes. We encourage donations from Rhode Island community associations and individuals. Please visit <a href="https://www.caionline.org/lacdonate/">www.caionline.org/lacdonate/</a> and donate to "Rhode Island" to support our continued efforts.

We need YOUR voice! Sign up today to become a CAI Advocacy Ambassador, and help shape legislation in your state!

## **Rhode Island Contact Information**

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