

2024 Legislative Session Report



RHODE ISLAND
LEGISLATIVE ACTION COMMITTEE
Community Associations Institute

2024 CAI Rhode Island Legislative Session Report

The CAI Rhode Island Legislative Action Committee (LAC) actively advocated on behalf of the [approximately 91,000 Rhode Islanders living in 37,000 homes in approximately 2,000 community associations across the Ocean State](#). Rhode Island's state legislative session began on January 2, and adjourned on June 30, 2024. Below are highlights from the 2024 Rhode Island General Assembly:

[HB 7867/SB 2647](#) – AN ACT RELATING TO PROPERTY -- CONDOMINIUM LAW

This bill requires the recording of the rules of the association in the land evidence records of the city or town the condominium is located in and requires amendments to the original filings to be certified by 2 or more members of the executive board. Previously, statutory language required neither to be recorded. Now, with the passage of this bill, both bylaws and rules, current and future, are required to be recorded.

The LAC led the introduction of this bill, as currently there is no requirement for the recording of bylaws or rules and regulations for condominiums built after July 1, 1982. Under both new and old Rhode Island Condominium law, unit owners can be penalized and fined for violations of by-laws and rules and regulations. There is often confusion as to which "version" is the controlling version, since there may not be a formal recorded copy. The LAC submitted testimony in **support** when the bill was heard by the House Committee on Corporations.

Status: Successfully PASSED, signed by Governor. Effective immediately.

[SB 2637](#) - AN ACT RELATING TO PROPERTY -- CONDOMINIUM LAW

This bill restricts increases in monthly common expenses and limits special assessments to cover unforeseen costs not included in the association's approved annual budget for common expenses in associations where the minority of the units are deed restricted units. In associations where the number of deed restricted units makes up less than 50% of all units, annual assessments are limited to five percent (5%) of the proceeding year's monthly common expenses. Special assessments for these communities would be limited to an amount which is 50% of the cost of regular assessments and must allow payment plans for special assessments at rates of no more than 1/12 of the total special assessment.

The LAC was **opposed** to this bill, due to the unfair burden it would place on neighboring units, and its interference in established cost-sharing formulas designed to work to the benefit of deed restricted

units. A call to action went out to advocates asking that they reach out to their Senator, and resulted in 3 messages being sent to legislators.

Status: Successfully DIED in Committee.

[HB 7698](#) - AN ACT RELATING TO PROPERTY -- CONDOMINIUM LAW

This bill defines a deed restricted unit as any unit that qualifies as low- or moderate-income housing. This bill limits the increase in annual condominium assessments for a deed restricted unit to five percent (5%) of the proceeding year's monthly common expenses.

The LAC was **opposed** to this bill, due to the unfair burden it would place on neighboring units, and its interference in established cost-sharing formulas designed to work to the benefit of deed restricted units. The LAC submitted testimony in opposition when it came before the House Committee on Judiciary, and also sent a message to advocates encouraging them to reach out to their Representative in the House, resulting in 1 message being sent to legislators.

Status: Successfully DIED in Committee.

[HB 7868/SB 2645](#) - AN ACT RELATING TO PROPERTY -- CONDOMINIUM LAW

This bill voids any provision in a declaration or bylaw that limits an increase in the total amount of an annual assessment increase from year to year.

The LAC **supported** this bill.

Status: Unsuccessfully DIED in Committee.

[HB 7865/SB 2642](#) - AN ACT RELATING TO PROPERTY -- CONDOMINIUM LAW

This bill allows unit owners to participate in association meetings remotely through the use of digital platforms such as Zoom or Google Meet. This bill had a duplicate file in the form of [HB 7863](#), which was eventually withdrawn in favor of HB 7865.

The LAC **supported** this bill, as it provides benefits to Rhode Island unit owners that already exist in many other states, and as already exist for Board members in Rhode Island via the Nonprofit Corporation Act for directors' meetings, if not prohibited by the applicable documents of the Association. The LAC submitted testimony in support when the bill was heard by the House Committee on Corporations.

Status: Unsuccessfully DIED in House.

[HB 7862/SB 2644](#) - AN ACT RELATING TO PROPERTY -- CONDOMINIUM LAW

This bill creates a process for condominium associations to give notice to and obtain approval from unit mortgage holders for certain association actions. This bill had a duplicate file in the form of HB 7864.

The LAC led the introduction of this bill, as association business is frequently stonewalled by provisions in the statute and the Association's governing documents that require "mortgagee approval." These requests for approval are sent out by the Association to national lender entities with no response-leaving Associations unable to make important changes to their documents. The LAC submitted

testimony in **support** when the bill was heard by the House Committee on Corporations. Additionally, SB 2644 had a proposed substitute introduced in Committee, but it ultimately did not move forward even with the amendments.

Status: HB 7862 unsuccessfully DIED in House. SB 2644 unsuccessfully DIED in Committee.

HB 7866/SB 2646 AN ACT RELATING TO PROPERTY -- CONDOMINIUM LAW

This bill requires associations to provide unit owners with thirty (30) days’ notice of any increase in the deductible application to the association’s policy ensuring that unit owners will have coverage relating to their responsibility.

The LAC **supported** this bill, as it clarifies the change made to the statute in 2022 (34-36.1-3.13) and 2023 (applicability to Old Act) by making clear that the unit owner’s H06 policy will cover the amount of covered loss up to the deductible for damage within the unit owner’s unit – and not to the common areas. The LAC submitted testimony in support when the bill was heard by the House Committee on Corporations.

Status: Unsuccessfully DIED in Committee.

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