

Condominium Association Resale Certificates

2021 Legislative Agenda

House Bill: H 5644

Sponsored by Representatives Solomon

Senate Bill: S 392

Sponsored by Senators Lombardi, McCaffrey, Archambault, Euer, Ciccone, Lombardo

Legislative Explanation

[H 5644](#) and [S 392](#) restrict the amount that a condominium association can charge a unit owner for a resale certificate at \$125.

Issue Background

During the real estate transaction, condominium associations are required to submit resale certificates to their lender(s), which include any past due payments to the association, pending violations, unpaid violations, unpaid special assessments and fees that are due upon closing. It also includes information about the association as a whole: pending litigation, amounts in the reserve fund and planned capital expenditures for the upcoming year. Since lenders require that all financial documents be dated in the same month, sellers are forced to purchase multiple certificates.

Please let your Representatives and Senators Know:

Resale Certificates Can Be Abused.

- Savvy condominium associations have turned the resale certificate into a cash cow for their associations by charging unit owners disproportionate fees.
- Some associations charge the equivalent of multiple months of condominium fees to email documents that any current owner should have already been entitled to see.
- Rhode Island General Law does not prevent potential financial abuse that could be construed as a money-making scheme.

Homebuyers Ultimately Pay.

- Many of the fees in a real estate transaction are blindly passed on to the buyer.
- Rhode Island already pays some of the highest transfer taxes in the country.
- Condominium association fees have been rapidly rising year over year for the past decade.

Tax Policy Should be Fair and Equitable

- Fairness and equitability must be integral to any property tax system.
- Properties to reassess should not be handpicked.
- Cities and towns must learn to live with the revenue from existing budgeted assessments and work with the Rhode Island Association of REALTORS® (RIAR) and tax experts on policies that make Rhode Island an attractive place to purchase a home.
- Appraisers, real estate professionals, and property owners should know the legal basis for fair taxation and how spot assessments could impact tax bills in the future.