**RHODE ISLAND Legislative Action Committee (RILAC)**

***Reprinted from July 2018 Condo Media LAC Update Feature***

***Many Bills to Follow – Little Action to Report by Nena Groskind***

**Non-binding Arbitration**

If you heard members of the Rhode Island Legislative Action Committee (RILAC) singing “ding dong the witch is dead” from the *Wizard of Oz* recently,it was because they were celebrating the withdrawal of a bill that would have mandated non-binding arbitration of condominium disputes if requested either by owners or association boards. The RILAC has strenuously opposed the measure, which had been introduced in the past two legislative sessions, arguing that it was unnecessary, costly and inefficient, adding another step to the litigation process (because either party could reject the mediator’s decision and pursue court action) without speeding resolution of their dispute.

When it appeared that the measure had a good chance of winning approval last year, the RILAC proposed a series of amendments, designed, committee co-chairs Edmund Allcock and Frank Lombardi, explained, to make a generally distasteful bill more palatable. The bill’s sponsor rejecting the changes, without explanation, and then withdrew the measure, also without explaining why.   
  
 Whatever the reason, “it’s gone for now,” Allcock, a partner in Marcus, Errico, Emmer & Brooks, PC, observed. “And we’re very happy about that.”

**REALTOR Initiative**

RILAC members are not at all happy about another still pending measure that would cap at $250 the fee condominium associations can charge for preparing a resale certificate and would fine associations $1,000 if they fail to provide the certificate within 10 days of receiving a request, as required by statute. There are problems with both provisions, Allcock and Lombardi, a partner in Goodman, Shapiro, Lombardi, LLC, say.

Real estate brokers, who are backing this measure and similar ones nationwide, say the resale certificate is “just a simple form,” but there is nothing simple about it, Allcock notes. It requires extensive, detailed information - about potential building code violations, litigation pending or anticipated, and reserve funding, among other areas. Compiling that information and verifying its accuracy often requires considerable time and labor by association managers and attorneys, Allcock says; and $250 doesn’t always cover those costs

The penalty for failing to meet the 10-day response deadline is unjustified and unfair, Lombardi says, noting that the problem is not that boards or managers move too slowly to provide the certificates, but that brokers typically request them “at the last minute.”

The measure is being held for further study, but because it is part of a national REALTOR initiative, it could gain traction, Allcock notes, “so we’re watching it closely. We don’t know when they might let this animal out of its cage.”

**Fidelity Insurance**

Also on the RILAC’s watch list is a bill that would require condominium boards to verify that their association management company or manager has fidelity insurance (which the committee thinks is a good idea) and would fine individual board members $750 if managers fail to meet that requirement – which the RILAC doesn’t like at all.

“It is hard enough to find owners willing to serve on association boards,” Allcock notes. “Why would you volunteer to serve if you’re going to be personally liable for something that may not be your fault?”

Requiring managers to have fidelity insurance – is desirable, Lombardi adds. “But this isn’t the right way to go about it.”

The bill’s status is ‘still pending.’ The House Judiciary Committee has held the bill for further study; the Senate has not yet held a hearing on a comparable measure.

**Foreclosure Advertising Requirements and Right of Redemption**

A bill that has been filed repeatedly surfaced again this year, with one provision the RILAC supports (streamlining foreclosure advertising requirements) and another it adamantly opposes – giving condominium owners a 30-day right of redemption following a foreclosure auction. This represents “another bite of the apple” for condo owns who have multiple opportunities during the process to clear a delinquency and avoid foreclosure, Lombardi notes.

This bill “has been referred to study and stayed there” for the past two years, Allcock says – a fate the RILAC hopes it meets again this year.