

Condominium Owners' Rights Act
Section-by-Section

Section 1: Adds definitions for governing board and remote meeting.

Section 2: Sets deadlines (5 or 10 days) for board production of financial and other documents. Failure to produce requested documents results in a violation carrying a \$100 per day fine enforceable in small claims court. Requested documents may be posted on a secure website.

Section 3: Makes all documents relating to the administration and operation of the condominium available to owners. Includes narrow exceptions for personnel matters, contract negotiations and legal strategy.

Section 4: Requires condominiums to place no less than 10 percent of their annual operating budget in a replacement reserve fund. Condominiums must prepare and update a preventive maintenance program every two years. Condos with 50 or more units must also prepare a capital reserve study at least once every 10 years.

Section 5: Requires accounting for special assessment funds by project.

Section 6: Requires a condo's by-laws to include an internal dispute resolution procedure for disagreements between unit owners and boards. Owner complaints must be in writing and decisions rendered in writing within 7 days. Condominiums with fewer than 50 units must hold regular board meetings at least quarterly; those with 50 or more units or those with appointed managers must meet monthly. All meetings must have a standing agenda item for owner participation. Except for executive sessions, all board meetings must be open to observation by owners for the entirety of the meeting. Boards must keep minutes of meetings and make an up-to-date list of owners available to other owners upon written request.

Section 7: Creates a Condominium Ombudsman in the Attorney General's Office for the purpose of receiving, investigating, and resolving complaints from unit owners about condominium administration. It is charged with establishing a mediation program. Owners complying with both a condominium's internal dispute resolution procedure and those of the Ombudsman's Office are deemed to have complied with the derivative action rules governing any further judicial proceedings. The Office shall issue reports about its operations to the Attorney General, Inspector General and Legislature about its activities. It is also charged with developing educational materials to assist unit owners and board members understand their rights and responsibilities.

Section 8: Permits remote meetings using electronic methods. It sets standards for encryption, identity verification and identity authentication for such meetings. It also permits owners to submit signatures or written consents electronically which meet the standards set forth in Chapter 110G of the General Laws.