

SENATE No. 1254

By Mr. Backman, a petition (accompanied by bill, Senate, No. 1254) of Jack H. Backman for legislation to provide for a truth in condominium law. Urban Affairs.

The Commonwealth of Massachusetts

In the Year One Thousand Nine Hundred and Seventy-eight.

AN ACT PROVIDING FOR A TRUTH IN CONDOMINIUM LAW.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 SECTION 1. The General Laws are hereby amended by add-
2 ing after section 21 of chapter 183A, the following chapter to
3 be entitled chapter 183B.

1 SECTION 2. Definitions. "Advertisement", any material which
2 has been prepared for public distribution, by any means of
3 communication, except that the term does not include stock-
4 holders communications such as annual reports, nor securities
5 or applications for listing securities on stock exchanges.

6 "Building", a public or private building designed for office
7 or dwelling space including garage and storage space incidental
8 to the dwelling containing one or more units comprising a
9 part of the condominium project.

10 "By-laws", the by-laws of the organization of unit owners
11 "common areas and facilities", except as otherwise provided
12 or stipulated in the master deed, means and includes: (1)
13 The foundations, columns, girders, beams, supports, party
14 walls, common walls, main walls, roofs, halls, corridors, lob-
15 bies, public stairs and stairways, fire escapes and entrances
16 and exits of the building; (2) installations of central services
17 such as power, light, gas, hot and cold water, heating, refrig-
18 eration, air conditioning and incinerating; (3) the elevators,
19 tanks, pumps, motors, fans, compressors, ducts, and in general
20 all apparatus and installations existing for common use; (4)
21 the land on which the building is located; (5) the basements,

22 yards, lawns, gardens, recreational facilities, parking areas and
23 storage spaces; (6) the premises for the lodging of custodian
24 or persons in charge of the condominium; (7) such community
25 and commercial facilities as may be provided for in the master
26 deed as being owned in common; and (8) all other parts of the
27 condominium necessary or convenient to existence maintenance
28 and safety or normal in common use.

29 "Condominium project", a building or group of buildings
30 where the form of ownership consists of a separate unit or
31 units which are owned by one or more individuals and there is
32 appurtenant to each unit as a part thereof an undivided share
33 in the common areas and facilities.

34 "Condominium conversion project", a condominium project
35 containing units that were wholly or partially occupied before
36 the recording of the declaration pursuant to M.G.L. c. 183A.

37 "Improvement Maintenance", any remodelling or updating
38 of facilities beyond normal upkeep in either the units or the
39 common areas and facilities.

40 "Management Contract", any contract entered into by the
41 organization of unit owners or its fiduciaries or appointees for
42 maintenance, management, or operation of the condominium
43 project.

44 "Organization of Unit Owners", the corporation, trust or
45 association owned by or consisting of the unit and used by
46 them to manage and regulate the condominium.

47 "Seller", any person, incorporated organization, partnership,
48 association, corporation, trust or estate who offers, sells, leases,
49 or advertises for sale or lease any units in a condominium
50 project or a condominium conversion project or who induces,
51 solicits, encourages or attempts to induce, solicit or encourage
52 any person to purchase a unit in a condominium project or a
53 condominium conversion project.

54 "Structural Defects", any major defect in the common areas
55 or facilities of a condominium project or any major defect in
56 the individual unit including but not limited to the facilities
57 for heating, plumbing, electricity, ceilings, walls, floors, win-
58 dows, and also other facilities related to cooking, refrigera-
59 tion, or air-conditioning which may be provided by the con-
60 tract with the seller.

61 "Unit", a part of the condominium project including one or
62 more rooms, with appurtenant areas, such as balconies, ter-
63 races, and storage lockers, if any are stipulated in the master
64 deed as being owned by the unit owner, occupying one or more
65 floors or a part or parts thereof, including the enclosed space
66 therein, intended for any type of use, and with a direct exit
67 to a street or way to a common area leading to a street or
68 way.

1 SECTION 3. Application of the Chapter. The chapter shall
2 apply to all transactions concerning the sale, offer for sale, or
3 to any advertisements for sale of any units of a condominium
4 project where the seller: (a) Transacts any business within
5 this Commonwealth; (b) contracts to supply services or things
6 in this Commonwealth; (c) violates a provision of this chapter
7 by an act or omission in this Commonwealth; (d) violates a
8 provision of this chapter by an act or omission outside this
9 Commonwealth if he regularly does or solicits business or en-
10 gages in any other persistent course of conduct or derives sub-
11 stantial revenue from goods used or consumed or services ren-
12 dered in the Commonwealth; (e) has an interest in using or
13 possessing real property in this Commonwealth.

14 This chapter shall not apply to units in a condominium proj-
15 ect intended solely for commercial purposes.

1 SECTION 4. Full Disclosure Prior to Sale. Prior to the initial
2 sale and also prior to any subsequent re-sale within five years
3 of the first occupancy of a new condominium project or within
4 five years of the termination of conversion of condominium
5 conversion project, the seller must fully disclose and provide
6 copies to the prospective buyers of the following information
7 regarding the condominium project: (a) copy of the condo-
8 minium declaration; (b) copy of the articles of incorporation
9 or charter of the organization of unit owners; (c) copy of the
10 by-laws; (d) copy of any ground lease or other document
11 creating a right of use if any including terms and conditions
12 and charges hereto; (e) copy of the management contract if
13 any which shall specify the services to be rendered under the
14 management contract the charges to be made, and the duration
15 of such contract; (f) copy of the operating budget for the con-

16 dominium unit to be sold to the prospective buyer, including
17 full details concerning the estimated monthly payments for
18 the condominium unit, estimated charges for management of
19 the condominium property, and the monthly charges for use,
20 rental, or lease of recreational facilities; (g) any provision for
21 a reserve for future capital expenditures in the operating
22 budget of the condominium property; if there is no such pro-
23 vision, then a statement to that effect; (h) a copy of the floor
24 plan of the unit to be purchased; (i) a statement of whether
25 any improvement maintenance that is planned within the next
26 three years, if none is planned, then a statement to that ef-
27 fect; (j) a statement of the policy with regard to the leasing
28 of any units in the condominium project that remain unsold;
29 if no such intention exists, then a statement to that effect; (k)
30 if the case of a condominium conversion project, a list of ex-
31 penditures made on repairs, maintenance, operation, or other
32 upkeep on the building. A failure to disclose any of the above
33 items or any misleading statements or misrepresentations in
34 the information actually disclosed shall be deemed a violation
35 of this chapter.

1 SECTION 5. False Advertisements. Any person who sells, of-
2 fers to sell, or advertises for sale units of a condominium proj-
3 ect who makes or causes to be made any false or misleading
4 statements or who publishes or causes to be published any
5 false or misleading information shall be liable to any purchaser
6 of a unit who has reasonably relied on such statement or in-
7 formation. In addition, the Attorney General may also bring
8 an action according to the provisions of M.G.L. c. 93A, s. 4 for
9 violations of this section.

1 SECTION 6. Protection to Previous Tenants of Condominium
2 Conversions. (a) No condominium conversion project shall be
3 commenced until at least six months after the owner of the
4 property which is to be converted has given written notice to
5 each tenant in clear, conspicuous print and in language which
6 is readily understandable to the tenant; (b) the notice shall
7 be hand delivered to each tenant or mailed to his last known
8 address by certified mail return receipt requested and shall
9 state: 1) that the unit occupied by the tenant is to be con-

10 verted to a condominium; 2) the name and address of the
11 seller; 3) that the tenant has the right to possession of the unit
12 under the terms of the existing tenancy for at least the six
13 months immediately following receipt of said notice or until
14 the expiration of leasehold, whichever is longer; 4) that for
15 120 days following the receipt of said notice the tenant has the
16 exclusive right to contract for the purchase of the unit he oc-
17 cupies; (c) during the 120 days immediately following the re-
18 ceipt of said notice each tenant shall have the exclusive right
19 to contract for the purchase of the unit he occupies at the
20 first asking price offered to the general public. Should the
21 tenant choose to contract for the purchase of the unit he oc-
22 cupies, he must notify the seller in writing of his intention to
23 exercise this right, in which case the tenant will be entitled
24 to the protections of this chapter; (d) no tenant shall be re-
25 quired to pay an increased rent nor shall any lease be abridged
26 or altered due to the proposed condominium conversion proj-
27 ect without the written consent of the tenant; (e) no action
28 to evict any tenant may be initiated in a proposed condomin-
29 ium conversion project except for violation of a valid coven-
30 ant in a lease or for non-payment of rent, until the expiration
31 of the applicable notice period under section 6(b) of this chap-
32 ter, unless there has been a purchase of the unit that the ten-
33 ant occupies and the deed has been recorded for a period of
34 sixty days. In any event no eviction order shall take effect un-
35 til the applicable notice period has expired.

1 SECTION 7. Deposits: Escrow. Whenever money shall be de-
2 posited or advanced on a contract for the purchase of a con-
3 dominium unit, such money shall be held in a separate escrow
4 account in a bank chosen by the seller. Such money shall re-
5 main in the account until the deed has been recorded at which
6 time such money, including interest, will be paid to the seller,
7 or upon breach of the contract, at which time the money plus
8 interest shall be paid to the buyer or the seller according to
9 the terms of the contract.

1 SECTION 8. Warranty Against Defects. The seller shall be
2 deemed to warranty against all structural defects for a period
3 of three years after the sale of each respective purchaser's

4 unit, unless the seller discloses to the buyer, in the manner
5 prescribed by section four, any such defects.

1 SECTION 9. Liability to the Purchaser: Remedies. Any pur-
2 chaser of a unit or units of a condominium project may, in any
3 court of competent jurisdiction, sue, for violations of this chap-
4 ter, his respective seller or any partner, officer or director of a
5 seller, unless such partner, officer or director did not know,
6 or could not, in the exercise of reasonable care, have known
7 of the existence of facts by reason of which the liability is al-
8 leged to exist.

9 The remedy for any violation of this act shall be either a
10 right to rescind the contract or damages, or both. The right
11 of rescission shall exist until ninety days after a purchaser has
12 received title to a condominium unit. The right to damages
13 shall survive for a period of not more than three years after
14 a purchaser has received title to a condominium unit. In any
15 case, the purchaser shall also be entitled to reasonable at-
16 torney's fees.

1 SECTION 10. Severability of Provisions. If any provision or
2 clause of this chapter, or the application thereof, to any per-
3 son or circumstances is held invalid, such invalidity shall not
4 affect other provisions or applications of the chapter and to
5 this end, the provisions of the act are severable.



The first of these was the Bill of Rights, which was passed by the House of Representatives on September 13, 1789, and by the Senate on September 28, 1789. It was then signed by President Washington on September 12, 1789.

The second of these was the Judiciary Act of 1789, which was passed by the House of Representatives on September 24, 1789, and by the Senate on October 3, 1789. It was then signed by President Washington on October 3, 1789.

The third of these was the Act of September 24, 1789, which was passed by the House of Representatives on September 24, 1789, and by the Senate on October 3, 1789. It was then signed by President Washington on October 3, 1789.

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