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Thank you for allowing me the opportunity to present written testimony in support of H 7851, a Bill developed by unit owners, property managers, lawyers, and consultants, that will require condominium associations to obtain and comply with conditions surveys and reserve studies.

I am a unit owner and past president of the Louisquisset Country Club Condominium Association as well as Chair of the Community Associations Institute's (CAI) Rhode Island Legislative Action Committee. Louisquisset has 409 units in 120 separate and unique freestanding residential buildings, a golf course, a restaurant/club house with offices, and a swimming pool. During my tenure, the Association amended 16 of its Bylaws to require, among other items, regular reserve studies.

The reserves study amendment was included to address 15 years of static HOA fees, little in the way of reserves, and inadequate physical maintenance. We contracted with a CAI certified reserves specialist who provided us with a study in 2022, based on expected remaining life of our infrastructure elements. This is when we learned that a Reserves Study is different from a "Conditions Study." While the former is based on life expectancy to maintain a strong infrastructure, the latter outlines what must be done immediately to prevent further deterioration.

Our new property manager recommended a limited conditions survey which revealed that we had 50 failing roofs and 28 buildings where clapboard, shingles, or fascia boards had deteriorated to the point of water ingress, infestations, and mold growth in underlying plywood. We immediately had to focus on addressing those high priority problems. With next to nothing in the way of reserves and recognizing that it took 15 years for this situation to develop, we signed a \$2.5 M loan, recognizing that current owners should not be expected to bear the entire burden on behalf of all future owners that was wrought by previous owners. Work is on going, but the infrastructure has stabilized and preventive maintenance has become a prime focus.

This story plays out in multiple other associations in different ways. But it's the same story that led to the tragic collapse in Surfside, Florida not too many years ago: condominium boards focus on keeping fees low (usually in order to be re-elected), neglect building up reserves accounts or use them for operating shortfalls, and limit preventive maintenance until deterioration is obvious and more costly to repair or replace.

While several reserves bills in other states focus only on reserve studies, HB 7851, which includes conditions surveys, addresses the practical reality of fixing what's broken now while planning for the future. It also provides guidance on how these studies can be funded and implemented through strategic planning processes. The exclusion of very small condominiums (less than 20 units) and delayed effectiveness gives the industry time to ramp up and plan for the resources necessary to comply with its mandates. This Bill may well become the standard approach for other states currently developing their own legislation.

I urge you to pass HB 7851 to protect the safety and financial investments of all condominium owners in the state of RI. Thank you.

