

AN ACT

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

To amend the Condominium Act of 1976 to allow condominium contraction by the owner's association by allowing an entire building to withdraw from the condominium, and to establish a procedure for the contraction.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this act may be cited as the "Fair Condominium Withdrawal Amendment Act of 2018".

Sec. 2. Section 220 of the Condominium Act of 1976, effective March 29, 1977 (D.C. Law 1-89; D.C. Official Code § 42-1902.20), is amended to read as follows:

"Sec. 220. Contraction of the Condominium. --

"(a) Except as provided in subsection (b) of this section, a condominium shall be allowed to contract at the time of the recordation of an amendment to the declaration, containing a legally sufficient description of the property withdrawn from the condominium; provided, that:

"(1) If portions of the withdrawable property were described pursuant to section 210(d)(5), then no such portion shall be withdrawn after the conveyance of any unit on such portion; or

"(2) If no such portions were described, then none of the withdrawable land shall be withdrawn after the first conveyance of any unit thereon.

"(b)(1) A condominium may contract when the unit owners' association ("association") votes to allow one or more separate buildings in the condominium to withdraw; provided, that:

"(A) Each unit owner must vote affirmatively to allow the withdrawal;

"(B) Each vote must be in writing;

"(C) No unit owner may be permitted to vote by proxy; and

"(D) The vote occurs after the time period for making a warranty claim under section 316 has expired, or after the release of the warranty bond, whichever is later.

"(2)(A) If at the time of contraction there are any encumbrances or liens against any of the units, the contraction will be effective only when all creditors holding such encumbrances or liens consent in writing to the amendment to the declaration and amended plat and plans or their encumbrances or liens are satisfied or expire by operation of law.

"(B) The contraction will be effective only when the provider of the master property insurance policy for the condominium consents in writing to the amendment to the declaration and amended plat and plans, or when the contracted condominium and any new

condominiums created as a result of the contraction each enter an agreement with a new provider to provide a master insurance policy.

“(3) To effectuate the contraction, the declarant or the association shall:

“(A) Record an amendment to the declaration with the Recorder of Deeds;

and

“(B) Submit an amended plat and plans to the Department of Consumer and Regulatory Affairs that depict:

“(i) The withdrawn building and condominium tax lots; and

“(ii) The remaining building and condominium tax lots.

“(4) The amendment to the declaration shall reallocate in proportion to the respective percentages of units remaining in the contracted condominium:

“(A) The percentages of common element ownership;

“(B) Voting power in the unit owners’ association; and

“(C) Liability for common expenses.

“(5)(A)(i) Upon contraction, the unit owners of the pre-existing condominium units on the withdrawn property shall own the property as a condominium or as tenants in common as provided in section 228(g).

“(ii) The amendments required to be recorded pursuant to paragraph (3) of this subsection shall make clear how the withdrawn property shall be owned.

“(iii) No new deeds shall be required to be recorded as a consequence of a contraction pursuant to this subsection.

“(B) If the withdrawn property is to be owned as one or more new condominiums:

“(i) A new declaration, bylaws, and plat and plans shall be recorded for each new condominium; and

“(ii) The owners of withdrawn property shall not be required to pay any taxes or fees under section 204 of the Rental Housing Conversion and Sale Act of 1980, effective September 10, 1980 (D.C. Law 3-86; D.C. Official Code § 42-3402.04); provided, that the record owner remains the same.

“(c) For the purposes of this section, the term “building” includes an individual rowhouse attached to another rowhouse.”.

Sec. 3. Fiscal impact statement.

The Council adopts the fiscal impact statement in the committee report as the fiscal impact statement required by section 4a of the General Legislative Procedures Act of 1975, approved October 16, 2006 (120 Stat. 2038; D.C. Official Code § 1-301.47a).

Sec. 4. Effective date.

This act shall take effect following approval by the Mayor (or in the event of veto by the Mayor, action by the Council to override the veto), a 30-day period of congressional review as provided in section 602(c)(1) of the District of Columbia Home Rule Act, approved December

ENROLLED ORIGINAL

24, 1973 (87 Stat. 813; D.C. Official Code § 1-206.02(c)(1)), and publication in the District of Columbia Register.

Chairman
Council of the District of Columbia

Mayor
District of Columbia