

Condominiums Act
Act. No. 104
June 25, 1958
(REPEALED BY ACT 129-2020)

Section 1. -Title	4
Section 1A. -Purpose	4
Section 2. -Applicability of chapter	4
Section 3. - Apartment, definition	5
Section 4. -Effect of submission to horizontal property regime	5
Section 5. -Effect of conveyance or encumbrance and subrogation of rights—Apartment planned and not begun.....	6
Section 6. -Effect of conveyance or encumbrance and subrogation of rights—Apartment under construction.....	6
Section 7. -Number of co-owners	6
Section 8. -Right of owner to his apartment; basis for determining share	6
Section 9. -Mortgage Liens Constituted Before and After Submission to Regime; Consent of.....	6
Section 10. -Foreclosure by single action after distribution of mortgage credits	7
Section 11. -General common elements of the property	7
Section 11A. -Transfer of common elements	9
Section 11B. - Use of areas and facilities belonging to other condominiums	9
Section 12. -Limited common elements of the property.....	10
Section 13 -Indivisibility of common elements.....	10
Section 14 - Use of common elements—Parking Space	10
Section 14A. -Use of common elements—Parking space	11
Section 14B -Rental and sale of parking spaces	12
Section 15. -Rules governing use of apartments; violation as ground for civil action.....	12
Section 15A. -Notice to director or board of directors	14
Section 16. -Agreements regarding maintenance and use of elements held in common	14
Section 17. -Payment for urgent repairs; recovery from other co-owners	15

Section 18. -Prohibition of new construction and other work without unanimous consent.....	15
Section 19. -Right of redemption upon conveyance of indivisible share	15
Section 20. -Distribution of common profits	15
Section 21. -Majority of co-owners and council of co-owners, meaning of terms; quorum.....	16
Section 22. -Contents of public deed	16
Section 23. -Contents of deeds of individual apartments.....	17
Section 24. -Copies of plans to be appended to, or to accompany, deeds; authentication.....	17
Section 25. -Manner of recordation—Generally	18
Section 26. -Manner of recordation—Particular details with respect to registering building under principal record	18
Section 27. -Manner of recordation—Particular details with respect to registering apartments by means of filial entries	19
Section 28. -Declaration by public deed upon completion of structures; recording.....	19
Section 29. -Conveyances or encumbrances	19
Section 30. -Succeeding transactions; entry of proportional share in common elements as unnecessary	20
Section 31. -New Floors, Acquisition of Adjacent Land, Release of Liens, and Provisional Entry	20
Section 32. -Description of deed in case of segregation of portions of common land conveyed jointly; recording.....	20
Section 32A. -Division of apartments; consent by unit owners.....	20
Section 33. -Recordation of real-property rights in apartments not recorded as to ownership or possession; form of demand.....	21
Section 34. -Waiver of horizontal property regime—Conditions for merger of filial estate in record	21
Section 35. -Merger as no bar to subsequent constitution of property into horizontal property	22
Section 36. -Bylaws; insertion or attachment to deed; certified copies filed in Registry	22
Section 36A. -Initial administration by Co-owner or Co-owners, powers and duties	22
Section 37. -Necessary contents of regulations; modifications of system; recording.....	27
Section 37A. -Regulations for mixed use	27
Section 38. -Condominium Association—Powers and duties.....	28
Section 38A. -Condominium Association—Meetings, notice, proceedings	32

Section 38B. -Condominium Association—Vote; representation.....	33
Section 38C. -Condominium Association—Decisions, rules; quorum; notice to absentees.....	34
Section 38D. -Condominium Association—Director or board of directors; powers and duties.....	35
Section 38E. -Condominium Association—President	36
Section 38F. -Condominium Association—Secretary, powers and duties.....	37
Section 38G. -Condominium Association—Trustee.....	38
Section 39. -Contributions for payment of administration and maintenance expenses.....	38
Section 40. -Preference of credits against co-owners for shares in expenses; exceptions	40
Section 41. -Obligation of owner for common expenses, lien.....	40
Section 42. -Judicial decisions; challenge of decisions and determinations of Council, term	41
Section 43. -Insuring building against risk; individual rights of owners.....	43
Section 44. -Application of insurance indemnity to reconstruction; pro rata distribution in certain cases; application of Section 338 Civil Code; rules for reconstruction.....	44
Section 45. -Sharing of reconstruction costs when building not insured or insurance indemnity is insufficient; modification of section by unanimous resolution	44
Section 46. -Mortgage and Property Registry Act and regulations as supplementary.....	45
Section 47 -Buildings covered by other laws; submission to horizontal property regime	45
Section 48. -Adjudication of claims.....	45
Section 49. -Powers of Secretary of Department of Consumer Affairs	46
Section 50. -Requests for registration of apartments, fees	46
Section 51. -Adjudication of controversies; administrative fines; judicial review 1958.....	47
Section 52. -Special Fund, creation	47
Section 53. -Disaster and emergency plan.....	47
Section 54. - Severability.....	48
Section 55. - Effectiveness	48

Section 1. -Title

This Act is hereby designated as the “Condominiums Act.”

History

—June 25, 1958, No. 104, p. 243, § 1; Apr. 5, 2003, No. 103, § 3, eff. 90 days after Apr. 5, 2003.

Section 1A. -Purpose

This Act is hereby approved for purposes of making possible the individual ownership of an apartment that forms part of a building or real estate subject to the horizontal property regime, in agreement with the criteria set forth below.

The owner of an apartment subject to the horizontal property regime is entitled to the full enjoyment of the unit and the common elements, if the right of the other owners to the enjoyment of their respective properties is not breached.

The principal duty of the Apartment Owner’s Association, the Board of Directors, and the Administrator of the Condominium is to direct their actions toward safeguarding the principle that the purpose of the horizontal property regime is to propitiate the enjoyment of the private units, and that the purpose of the administration of the common elements and property of the building is to achieve full enjoyment of said right. Likewise, each owner acknowledges that the exercise of their dominion in the horizontal property regime is limited by the rights of the other tenants, and that their property rights over their apartment shall be exercised within the framework of peaceful coexistence and respect for the rights of others.

In the exercise and claiming of their rights, owners shall act pursuant to the principles of goodwill, and the prohibitions set forth on going against their own actions, and on abusing the rights of others.

History

—June 25, 1958, No. 104, p. 243, added as § 1-A on Apr. 5, 2003, No. 103, § 2, eff. 90 days after Apr. 5, 2003.

Section 2. -Applicability of chapter

The provisions of this Act apply exclusively to the set of apartments and common elements whose sole owner, or co-owners, if there is more than one (1), expressly declare the desire to submit said property to the regime set forth in this Act, stating so in a public instrument to be recorded in the Property Registry.

The horizontal property regime may be set forth over real estate located on land belonging to another person, if the owner of the land grants the lease, usufruct, or surface rights perpetually to the builder or the condominium tenant.

The deed establishing the horizontal property regime shall clearly and accurately state the purpose and use of all areas comprising the property and, except as otherwise authorized by this Act, once said

purpose and use have been established, they may only be changed by the unanimous consent of the owners.

History

—June 25, 1958, No. 104, p. 243, § 2; June 4, 1976, No. 157, p. 461, § 1; Aug. 11, 1995, No. 153, § 1; May 21, 1996, No. 43, § 1; Apr. 5, 2003, No. 103, § 3, eff. 90 days after Apr. 5, 2003; August 12, 2018, No. 218, § 1.

Section 3. - Apartment, definition

For purposes of this chapter, “apartment” shall be understood to be any unit of construction in a real property subject to the regime established in this chapter that is sufficiently delimited, and that consists of one or more cubic spaces totally or partially closed or open, together with its annexes, if any, even if they are not contiguous; provided, that said unit is susceptible to any type of independent use and has a direct exit to a public thoroughfare or a determined private area (be it a common element of the condominium or an area shared by two or more condominiums or other developments, or a private area existing and/or that has been designated as an access for two or more condominiums or other residential, commercial, mixed, or any other type of development areas) that eventually leads to a public thoroughfare through a right of way or other legal mechanism, as approved by public or quasi-public entities with jurisdiction. The square measure of the areas recorded in the master deed and/or plans constituting a building as the annex of an apartment for the particular use of such apartment, thus excluding all other apartments, shall not be included when computing the square area of the apartment in question or its percentage share in the common elements of the real property, except that the sole owner of the apartments or, if more than one owner, all owners by unanimity, in the original master deed for the constitution of the regime and/or those documents prepared and executed to modify an already existing regime, expressly provide otherwise for one or more annexes, in which case, for such purpose, only those annexes so specified in the original master deed or the documents to amend an existing horizontal property regime shall be taken into account.

History

—June 25, 1958, No. 104, p. 243, § 3; June 4, 1976, No. 157, p. 461, § 1; Aug. 15, 2008, No. 281, § 1; Jan. 13, 2012, No. 17, § 2.

Section 4. -Effect of submission to horizontal property regime

Once the property is submitted to the horizontal property regime, the apartments mentioned in Section 3 of this Act may be individually conveyed and encumbered and be the object of ownership or possession, and of all types of juridic acts inter vivos or mortis causa, entirely irrespective of the rest of the property of which they are a part, and the corresponding titles shall be recordable in the Registry of Property according to the provisions of this chapter and of the Mortgage and Property Registry Act *[Repealed 2015]*.

History

—June 25, 1958, No. 104, p. 43, § 4; June 4, 1976, No. 157, p. 461, § 1.

Section 5. -Effect of conveyance or encumbrance and subrogation of rights—Apartment planned and not begun

In cases of the conveyance or encumbrance of an apartment that has been planned but not yet under construction, there shall be deemed to be acquired by the new owner or encumbered the share corresponding to the conveyor or in the proper case, to the debtor in the common elements of the property in project, and his right to have the apartment constructed, and the acquirer shall be understood to be subrogated in the rights and to the extent of the former, for all legal purposes.

History

—June 25, 1958, No. 104, p. 243, § 5; June 4, 1976, No. 157, p. 461, § 1.

Section 6. -Effect of conveyance or encumbrance and subrogation of rights—Apartment under construction

In case of the conveyance or encumbrance of an apartment already under construction, the shares to which Section 5 of this Act refers shall be deemed acquired or encumbered, and the part already constructed of the apartment in question shall be deemed individually acquired or encumbered, the acquirer being also subrogated in the rights and to the extent of the conveyer, for all legal purposes.

History

—June 25, 1958, No. 104, p. 243, § 6, eff. 90 days after June 25, 1958.

Section 7. -Number of co-owners

Each apartment may belong in common ownership to more than one person.

History

—June 25, 1958, No. 104, p. 243, § 7, eff. 90 days after June 25, 1958.

Section 8. -Right of owner to his apartment; basis for determining share

The owner shall have an exclusive right to his apartment and to a share, with the other co-owners, in the common elements of the property, equivalent to the percentage representing the area of the apartment in the area of all the apartments in the property. In the case of apartments with two or more levels, the area of each level shall be considered.

History

—June 25, 1958, No. 104, p. 243, § 8; June 4, 1976, No. 157, p. 461, § 1.

Section 9. -Mortgage Liens Constituted Before and After Submission to Regime; Consent of Co-owners

The mortgage liens constituted prior to submitting the property to the horizontal property regime shall be subject to the provisions of Section 174 of the Mortgage and Property Registry Act *[Repealed on 2015]*, but the creditor, upon initiating the collection procedures, shall direct the action for the total amount secured simultaneously against all the owners of encumbered apartments with liens. If such credits are constituted after the property is organized under the horizontal property regime, their distribution shall be conducted in the manner referenced in Section 170 of Mortgage and Property Registry Act *[Repealed on 2015]* among apartments with liens that are already built; and regarding apartments merely projected or still being built, the distribution of the credit should be conducted among the participations or inscribed rights, pursuant to Sections 5 and 6 of this Act.

The mortgage of the common elements of a property submitted to the horizontal property regime may be modified only by agreement of a qualified majority of two thirds (2/3) of all owners that, in turn, hold two thirds (2/3) of interest in the common elements.

History

—June 25, 1958, No. 104, p. 243, § 9; June 4, 1976, No. 157, p. 461, § 1; Apr. 5, 2003, No. 103, § 4, eff. 90 days after Apr. 5, 2003; August 12, 2018, No. 218, § 2.

Section 10. -Foreclosure by single action after distribution of mortgage credits

Whenever credits have been distributed under the preceding Section 9 of this Act the foreclosure action may be conducted in one sole proceeding and with one sole certification from the Registry of Property.

History

—June 25, 1958, No. 104, p. 243, § 10, eff. 90 days after June 25, 1958.

Section 11. -General common elements of the property

The common elements of the property are the following:

(a) The following are considered to be general and necessary common elements, not delineated for individual ownership, and shall not be subject to partition:

(1) The projection, understood as the right to build upwards. Except as provided in Section 14-A, the enclosure or roofing of patios, terraces, or open areas shall require, insofar as these works are not contemplated in the plans submitted along with the master deed, the consent of a qualified majority consisting of two thirds (2/3) of all owners that, in turn, hold two thirds (2/3) interest in the common elements; provided, that such requirement shall not apply to the enclosure or roofing of patios, terraces, or open areas on the ground or lower floor (ground level) the property and intended for the exclusive use of certain apartments submitted to the regime before April 5, 2003.

(2) The foundations, main, and bearing walls, roofs, hallways, stairways, and entrance and exit, or communication passageways.

(3) Locations for the installation of central utilities, such as electric power, lighting, gas, hot and cold water, refrigeration, cisterns, water tanks and pumps, and similar others indispensable for the adequate enjoyment of the units, minding that these elements shall not be located within private apartments or locations.

(4) Elevators, when needed for the adequate enjoyment of the units.

(5) Green areas and trees required by the instrumentalities or dependencies of the Commonwealth of Puerto Rico.

(6) The area designated for the placement of solid waste recycling containers; provided that the placement of containers for recyclable materials shall be mandatory in all condominiums, unless there is no space available to be devoted to an area for the placement of recycling containers, in which case the Apartment Owners Association, the Board of Directors or the Administrative Agent, shall notify this fact to the Secretary of the Department of Consumer Affairs, in writing, by personal delivery, certified mail or electronic mail. The Secretary may investigate, at his/her discretion, the accuracy of the information

provided and if in his/her judgment it is not justified, he/she may require compliance with the provisions of this paragraph. If the affected party does not agree with a decision of the Secretary of the Department of Consumer Affairs enforcing compliance with the provisions of this chapter, such party may request an Administrative Hearing pursuant to the Uniform Administrative Procedures Act.

(7) A power generator to supply the electric power demands of the common elements, or common and private areas, using the condominium's electric power infrastructure as a voluntary and general common element. The change of a power generator that supplies the demands of the common elements to a power generator with capacity to supply the demands of the common elements and the private areas of individual apartments shall not be considered an improvement and shall require the consent of two thirds (2/3) of owners.

(8) Any other element that is essential for the adequate enjoyment of the property's apartments.

(b) The following shall be deemed to be general common elements, except as otherwise provided or stipulated:

(1) The land, basements, roofs, patios, and gardens.

(2) Locations designated for the sheltering of porters or guardians.

(3) Areas designated as parking spaces.

(4) Recreational areas that exceed the requirements set forth by urban regulations, or authorities with jurisdiction.

The allocation of the aforementioned common areas or elements shall require that it is thus stated in the master deed, or if the conversion and transfer to the horizontal property regime is carried out after the master deed is recorded, the consent of a qualified majority consisting of two thirds (2/3) of all owners that, in turn, hold two thirds (2/3) interest in the common elements shall be required. The transfer shall be recorded in the Property Registry stating the new percentage of interest for each of the benefited apartments.

Even when the foregoing areas under this subsection are susceptible to independent use, such areas may be constituted and/or alienated as areas or facilities for the benefit of the Apartment Owner's Association, or of one or several condominium apartment owners; furthermore, these areas and facilities may be constituted and/or used for the benefit of one or several owners in different condominiums or other developments, when these areas or facilities are shared among themselves or with one or more developments, communities, and/or other projects, as may be approved by public or quasi-public entities with jurisdiction or a contract between the parties.

With the exception of exclusively commercial or professional condominiums, ownership of individual parking spaces that constitute independent property shall not be taken into account in the determination of quorum or majority based on the number of owners, although the participation percentage corresponding to such spaces in the common elements may be calculated when the regulations includes such participation in its definition of majority. When the area designated as parking

space has been totally configured as independent property, its owner shall be entitled to one vote, as if it were an apartment unit.

History

—June 25, 1958, No. 104, p. 243, § 11; June 4, 1976, No. 157, p. 461, § 1; Aug. 11, 1995, No. 153, § 1; May 21, 1996, No. 43; Apr. 5, 2003, No. 103, § 5; Aug. 15, 2008, No. 281, § 2; , No. 76, § 1, eff. 180 days after May 12, 2011; Jan. 13, 2012, No. 17, §§ 3, 4; August 12, 2018, No. 218, § 3.

Section 11A. -Transfer of common elements

Areas such as units, parking spaces, or locations, that are susceptible to individual use, whose ownership has been assigned to the Apartment Owner's Association, shall be for the common good, as well as private apartments acquired by the Apartment Owner's Association by means of cession, seizure in debt collections, or by any other legal means.

Acquisition of a common location or apartment by means of seizure in debt collections shall require the approval of the majority of the Apartment Owner's Association. The transfer of this type of element shall not be free of charge and requires the same approval, provided the proceeds of the sale or transfer is designated to defray debts or expenses for the maintenance of common areas. The transfer to defray any other expense, or to defray expenses for improvement projects shall require the consent of the owners, pursuant to the requirements for obtaining approval of the expense or project being considered.

Once the apartment has been transferred, it shall no longer be considered as a common element.

History

—June 25, 1958, No. 104, p. 243, added as § 11-A on Apr. 5, 2003, No. 103, § 6, eff. 90 days after Apr. 5, 2003.

Section 11B. - Use of areas and facilities belonging to other condominiums

(1) Real property subject to this chapter may also use and enjoy the areas and facilities belonging to other condominiums, urbanizations, or residential, commercial, or mixed developments, or any other type, such as vehicle or pedestrian entrances, exits, and access areas, recreational, educational, commercial facilities, or any other area or facility as provided in the master deeds, master covenants, equitable easements, or in other documents constituting restrictive conditions or easements that affect or are executed in connection with such areas or facilities, or as may be approved by public or quasi-public entities with jurisdiction.

(2) The provisions established therefor in the master deeds, master covenants, equitable easements, and/or other documents constituting restrictive conditions and/or easements that affect or are executed in connection with such areas and/or facilities shall apply to the use, operation, maintenance, and other aspects related to these common areas and/or facilities, in accordance with the permits and/or resolutions issued by public or quasi-public entities with jurisdiction.

(3) It is hereby clarified and further provided that a condominium developed by phases and/or stages, and comprising one or several structures, shall not have to be built in a single lot, and its facilities and appurtenances, whether common or private, may be located in two or more lots that are inter connected by public or private roads or accesses, or by common elements; provided, that it appears from the master deed, blueprints, and other governing documents of the regime that the condominium

shall be built on two or more non-abutting lots that shall constitute a single unit for purposes of its recordation as a filial estate of the regime.

History

—June 25, 1958, No. 104, p. 258, added as § 11-B on Jan. 13, 2012, No. 17, § 5.

Section 12. -Limited common elements of the property

Also deemed common elements, but limited in character if so expressly agreed upon by all co-owners of the property, shall be those devoted to the service of a certain number of apartments to the exclusion of the others, such as special corridors, stairways and elevators, sanitary services common to the apartments of a particular floor, and the like.

History

—June 25, 1958, No. 104, p. 243, § 12; June 4, 1976, No. 157, p. 461, § 1; Aug. 11, 1995, No. 153, § 1; May 21, 1996, No. 43, § 1.

Section 13 -Indivisibility of common elements

The common, general, and limited elements shall be kept in compulsory indivisibility and shall not be subject to an action of community division. Any agreement to the contrary shall be null and void.

The Board of Directors shall handle the necessary procedures for the most appropriate and efficient operations and management of the equipment or general common elements, following the guidelines set forth and the budget approved by the Apartment Owner's Association. Matters pertaining to the limited common elements shall be under the management of the owners of the apartments to whom the same were allocated. If the benefited owners do not perform the maintenance works of their respective limited common limited elements, and so cause harm to the building or to the other owners, the Board of Directors may perform said works at the expense of the owners to whom the referenced elements were allocated.

All owners are duty bound to allow passage through the limited common elements enjoyed by their apartments when necessary for the performance of maintenance works or improvements of equipment, or of their respective limited common elements. Access shall be coordinated with the pertinent owner, making sure that enjoyment of the apartment is obstructed as little as possible.

The Apartment Owner's Association may allow, by means of majority vote, the existence or installation of iron grillwork placed in common areas by one or several owners, if so warranted for more security for their respective units, if by so doing the enjoyment or safety of other apartments is not affected, and access to other common areas is not obstructed.

History

—June 25, 1958, No. 104, p. 243, § 13; Apr. 5, 2003, No. 103, § 7, eff. 90 days after Apr. 5, 2003.

Section 14 - Use of common elements—Parking Space

Each owner may use the common elements according to the intended purpose thereof, without hindering or impairing the rightful use thereof by others under the following conditions:

(a) By majority vote of the Apartment Owner's Association, installation of equipment on the roof may be authorized for one or several owners for the exclusive enjoyment of their apartments, if such installations do not curtail the enjoyment of another unit, in which case the compliance of the affected party is required.

(b) Also by authorization, equipment or machinery for the enjoyment of a limited number of apartment owners may be installed in common areas, if they assume the costs entailed, and the future maintenance costs. To obtain the referenced authorization, said apartment owners shall certify to the Apartment Owners' Association that the installation and use of such equipment or machinery, according to expert opinion, does not substantially alter the appearance or architectural design of the structure, does not affect the safety or solidity of the building, and does not obstruct the enjoyment of the other units. Apartment owners who originally would not have contributed toward such improvements may benefit from the same if they contribute the proportional costs that would have corresponded to them afterwards, paying the legal interest.

In any case, if the location of the equipment affects the external appearance of the structure, its installation shall require the consent of a qualified majority consisting of two thirds (2/3) of all owners that, in turn, hold two thirds (2/3) interest in the common elements. The Condominium Association may impose a special fee on those apartments that benefit from this authorization, pursuant to the provisions of Section 38 (e).

History

—June 25, 1958, No. 104, p. 243, § 14; June 4, 1976, No. 157, p. 461, § 1; Aug. 11, 1995, No. 153, § 1; May 21, 1996, No. 43, § 1; Apr. 5, 2003, No. 103, § 8; August 12, 2018, No. 218, § 4.

Section 14A. -Use of common elements—Parking space

When the parking area is a common element, all owners shall have the right to use a parking space with the capacity to accommodate an automobile per occupied apartment owned. No owner may use a parking space that exceeds such capacity, if by so doing another owner is deprived of the effective enjoyment of such common element. If the number of parking spaces with capacity to accommodate an automobile were less than the number of apartments, and there are more apartment owners interested in their use than available parking spaces, there shall be a lottery for said parking spaces among the interested parties for their use for the term designated by the Owners' Association, in such a manner that access to such spaces is guaranteed for all the interested parties.

By the Apartment Owners' Association majority agreement, the parking of automobiles may be allowed in common access roads for the enjoyment of all the apartment owners. If the amount of parking spaces is less than the number of apartment owners interested in using them, there shall be a lottery for said parking spaces, as set forth in the foregoing paragraph. The Association shall determine the terms and conditions for participation in the lottery, including the collection of a rate of rental, if it so deems convenient, and may adopt any other method for the best use of this parking area, if by so doing enjoyment of or access to the private spaces is not obstructed.

By agreement of two thirds (2/3) of the owners that in turn comprise two thirds (2/3) of the participations in the common areas of the structure, additional parking areas may be enabled or built, if by so doing the green areas are not substantially affected, the necessary permits from the pertinent government agencies are obtained, and there is compliance with the conditions set forth in subsections

(d) and (e) of Section 38 of this Act. Likewise, areas so enabled may be constituted as a common element or as annexes to the apartments by vote, in which case they shall be subject to the provisions set forth in subsection (b) of Section 11B of this Act.

History

—June 25, 1958, No. 104, p. 243, added as § 14-A on Apr. 5, 2003, No. 103, § 9, eff. 90 days after Apr. 5, 2003.

Section 14B -Rental and sale of parking spaces

Any owner of an individual parking space not subject to the apartment's ownership, who wishes to sell or rent such parking space, shall give proper notice and priority to the owners of the condominium community. The parking space owner shall be required to place a visible notice in the condominium for a period of thirty (30) days and to notify his/her intent to sell or rent such parking space to the Condominium's Board of Directors within a term of ten (10) days prior to the thirty (30)-day period to place the notice in the condominium notifying such sale or rental.

The Condominium's Board of Directors is hereby authorized, with the consent of a majority of the Tenants' Association, to acquire by purchase or rental any such parking spaces on sale by parking space owners.

Any transaction or sale of a parking space inconsistent with the provisions of this section shall be void.

History

—June 25, 1958, No. 104, p. 243, added as § 14-B on Mar. 18, 2010, No. 31, § 1; Dec. 16, 2011, No. 260, § 1.

Section 15. -Rules governing use of apartments; violation as ground for civil action

The use and enjoyment of each apartment shall be subject to the following rules:

In the exercise of the ownership rights under this chapter, the following general principles shall govern, particularly, those stated in Section 1-A of this Act.

Infractions against these principles or the rules stated in the subsequent subsections shall warrant the exercise of action for damages by any owner or occupant affected, as well as of any other corresponding action under the law, including interdicts, those set forth in the Controversies and Provisional Legal Status Act and any other fair remedy.

(a) Each apartment shall be dedicated only to the use set forth for the same in the title referenced in Section 2 of this Act.

(b) Apartment occupants shall not produce noises or trouble, nor execute acts that inconvenience the peace of the other owners or neighbors.

(c) The apartments shall not be used for purposes that are unlawful or immoral, or against good practices.

(d) All owners shall execute, at their own expense, the modifications, repairs, cleaning, security, and improvements of their own apartments, without obstructing the rightful use and enjoyment of others. It

shall be the inescapable duty of every owner to perform the repair and security works as soon as necessary, so as not to affect the security and appearance of the building. All owners or occupants of an apartment are legally bound to allow repairs or maintenance works required by the building in their unit, allowing entrance to the apartment for their completion.

(e) No owner or occupant may, without the consent of all the owners, change the external form of the façade, nor decorate walls, doors, or exterior windows with colors or tones that differ from those of the development. When a proposal to change the external form of the façade, or to decorate walls, doors, or exterior windows with colors or tones that differ from those of the development, in a condominium of forty (40) or more apartments in which no person owns half or more than half of said apartments, is submitted for vote in the Apartment Owner's Association, a seventy-five percent (75%) majority vote of the owners shall be sufficient to be approved, insofar as no opposing owner proves that the changes or alterations are unnecessary and adversely affect the appraisal value of his/her apartment. The state of architectural decay, the time and cost of remodeling at an individual and general level, as well as the projected appraisal value of each real property shall be taken into consideration to determine if the changes are necessary. Façade means the structure's architectural and aesthetic design, as it arises from the master deed.

Once the agencies concerned issue a hurricane or storm warning, the use of any type of temporary or removable storm windows shall not constitute an alteration of the facade. Regarding permanent storm windows, the Board of Directors shall solicit quotes and design, type and specific color alternatives, and shall present same to the Apartment Owners' Association, who shall decide which shall be installed by majority vote. Temporary storm windows shall be removed as soon as the hurricane or storm warning is over, or after the passage of the phenomenon, unless the area protected by the same has been damaged in such a manner that said storm windows constitute the only temporary protection.

When according to expert opinion, the original equipment or elements of the building that form part of its architectural design, such as windows, doors, iron grills, or ornaments, the Apartment Owners' Association shall decide by majority vote which type and design of equipment or element shall substitute the original. Any owner who is interested in substituting such elements or equipment shall have to do so according to the type and design adopted by the Association. The imposition upon all the owners of performing the substitution shall require compliance with all the requirements set forth in subsection (d) of Section 38 of this Act regarding these improvement works.

(f) All owners shall contribute according to the participation percentage set upon their apartment in the constitution title, and to that which is especially set forth, according to subsection (f) of Section 38 of this Act, regarding the common expenses for the adequate sustainment of the building, its services, taxes, burdens, and responsibilities, included in apportionments, insurance premiums, reserve fund, or any other expense that is duly approved by the Apartment Owners' Association.

(g) All owners shall observe due diligence in the use of the property, and in their relationships with other unit owners, and shall respond to same for violations committed by their own relatives, guests, or employees, and in general, by all persons who occupy their apartment for any reason, without prejudice of direct actions that proceed against such persons.

(h) No unit owner or occupant may install or attach any object to walls that may constitute a safety hazard to any person, to private or common property.

(i) All unit owners and occupants shall remain in strict compliance with the administrative provisions set forth in this Act, in the title, or in the Regulations referenced in Section 36 of this Act.

(j) The buyer of an apartment whose seller is not the developer, temporary administrator, or a constituent of the regime, accepts the manifest condition of the common elements of the condominium in the manner in which these are found physically at the time of the purchase, and subrogates to the position of the seller regarding the rights of same over the initiation of any action in which the change is challenged due to the breach of this chapter, the original mortgage title, or the Regulations of the condominium. Knowledge of the manifest changes that exist in the property for all purposes of third party registry shall be attributed to this buyer.

History

—June 25, 1958, No. 104, p. 243, § 15; June 4, 1976, No. 157, p. 461, § 1; Dec. 17, 1999, No. 343, § 1; Apr. 5, 2003, No. 103, § 10, eff. 90 days after Apr. 5, 2003; Sept. 17, 2012, No. 261, § 1.

Section 15A. -Notice to director or board of directors

All unit owners shall communicate to the Director or Board of Directors within the thirty days following the date of the purchase of their apartment unit, their name, last names, general information, and address, as well as the date and other details of the acquisition of their apartment unit, showing irrefutable proof of such matters, in addition to the registration of their signature in the Book of Unit Owners.

In the event of the sale, cession, or lease of the apartment unit, the unit owner shall notify same to the Director or the Board of Directors, stating name, last names, general information and address of the acquirer or tenant, as well as require from the acquirer or tenant a statement expressing that same knows and faithfully observes the precepts set forth in this chapter and the Regulations, as well as the foundations of the horizontal property regime, to be included in the transfer or lease agreement.

The owner lessor shall continue to bear sole responsibility for the payment of fees for the common expenses, and shall also be responsible for compliance by the lessee with this chapter and the Regulations.

History

—June 25, 1958, No. 104, p. 243, added as § 15-A on June 4, 1976, No. 157, p. 461, § 2; Apr. 5, 2003, No. 103, § 11, eff. 90 days after Apr. 5, 2003.

Section 16. -Agreements regarding maintenance and use of elements held in common

The majority of the owners shall agree upon the necessary works for the preservation or security of the building, and the efficient use of the common areas. If the efficient use works curtail the enjoyment of any particular owner, such works cannot be performed without the consent of the affected owner.

The unanimous consent of all the owners is required for all works that adversely affect the common elements of the building.

History

—June 25, 1958, No. 104, p. 243, § 16; Aug. 11, 1995, No. 153, § 1; May 21, 1996, No. 43, § 1; Apr. 5, 2003, No. 103, § 12, eff. 90 days after Apr. 5, 2003.

Section 17. -Payment for urgent repairs; recovery from other co-owners

When the building or its common elements require urgent or necessary repair, security, or preservation works, any owner may perform them at his/her own expense and recover from the other owners the proportional payment for the expenses incurred, by means of the pertinent explanations with supporting data.

Regarding urgent or necessary works, the recovery of the expenses shall proceed if the Board of Directors, once notified, had not acted with the due diligence warranted by such works, except when under emergency situations. The reimbursement shall be requested no later than thirty (30) days after having made the payment. The Board shall verify the reimbursement request, and if appropriate, it shall make the payment within thirty (30) days, if same does not exceed 10% of the budget, in which case the procedure to follow is set forth in subsection (d)(2) of Section 38 of this Act. Unless so authorized by the Board, the owner shall not compensate such an expense against the maintenance fee. In any case, recovery by an owner for necessary works or reimbursement shall not proceed if the Condominium Association decides to postpone or not perform the same. The owner who feels having been harmed by such decision may request assistance from the authority with jurisdiction.

History

—June 25, 1958, No. 104, p. 243, § 17; Apr. 5, 2003, No. 103, § 13, eff. 90 days after Apr. 5, 2003.

Section 18. -Prohibition of new construction and other work without unanimous consent

No unit owner may, without the unanimous consent of the others and without having the corresponding permits from the pertinent agencies, build new floors, build basements, perform excavations, or perform works that affect the security, solidity, and preservation of the building.

History

—June 25, 1958, No. 104, p. 243, § 18; Aug. 11, 1995, No. 153, § 1; May 21, 1996, No. 43, § 1; Apr. 5, 2003, No. 103, § 14, eff. 90 days after Apr. 5, 2003.

Section 19. -Right of redemption upon conveyance of indivisible share

Where an apartment belongs undividedly to several persons and one of them conveys his share, the other co-owners of that apartment shall have the right of redemption provided in Section 1412 of the Civil Code *[Repealed 2020]*.

History

—June 25, 1958, No. 104, p. 243, § 19; June 25, 1959, No. 77, p. 209, § 1.

Section 20. -Distribution of common profits

The common profits of the property shall be distributed among the co-owners of the apartments according to the percentage represented by each in the common elements of the property, in conformity with the percentages allotted to the apartments under Section 8 of this Act.

History

—June 25, 1958, No. 104, p. 243, § 20; June 4, 1976, No. 157, p. 461, § 3.

Section 21. -Majority of co-owners and council of co-owners, meaning of terms; quorum

The bylaws referred to in Section 36 of this Act shall specify which of the following two definitions of majority shall govern for the property in question:

- (a) At least one-half plus one of the co-owners; or
- (b) at least one-half plus one of the co-owners whose apartments in turn represent at least fifty-one percent of share in the common elements, in accordance with the percentages assigned to the apartments pursuant to Section 38 of this Act.

Likewise, whenever this chapter refers to the Council of Co-Owners, this shall be held to be all the co-owners, but a majority, as defined in the bylaws shall, except as otherwise provided herein, constitute a quorum for the adoption of decisions.

History

—June 25, 1958, No. 104, p. 243, § 21; June 4, 1976, No. 157, p. 461, § 3.

Section 22. -Contents of public deed

The public deed referenced in Section 2 of this Act shall state the following circumstances:

- (a) Description of the land and general description of the structures thereon, with the respective areas and construction materials.
- (b) Description and number of each apartment, stating its measures, location, rooms, main entrance door and immediate place with which it communicates, and any other data necessary for its identification.
- (c) Description of the general common elements of the property, and, in the proper case, of the common elements limited to a certain number of apartments, stating which are those apartments.
- (d) Clear indication of the purpose to which the property and each one of the apartments is devoted.
- (e) Area of all the apartments in the property and area of each apartment, assigning in accordance with these measures the percentage that the co-owners shall have in the expenses, profits and rights in the common elements.
- (f) Everything relating to the administration of the property, in the proper case.
- (g) And any further data in connection with the property which may be of interest to so state.
- (h) The statement of the circumstances included in subsections (a), (b), (c), and (e) shall be made according to a certified legal description provided by the engineer or architect who was in charge of the preparation of the blueprints of the building that shall be submitted to the Registry of the Property, pursuant to Section 38 of this Act.

The following shall be included along with the title:

(a) A certified copy of the license of the Developer or Builder, issued by the Secretary of the Department of Consumer Affairs, if so required, pursuant to the provisions set forth in Act of the Office of the Construction Officer Attached to the Department of Consumer Affairs [Act 130 of June 13, 1967], and

(b) a sworn certification by the person that submits the building to the horizontal property regime, which states that:

(1) The blueprints submitted to the Registry of the Property are the true and exact copy of those approved by the Regulations and Permits Administration, and include any change made to the building at the time of the execution of the title.

(2) The common and private areas yet under construction and the projected date of completion of same, as well as the promise that copies of the blueprints, duly certified by the Regulations and Permits Administration, in which the changes made in the construction shall be stated.

(3) All the requirements of this chapter have been complied with, as well as the resolutions and permits from the government agencies to submit the property to the regime.

(4) An exact copy of the certified legal description provided by the engineer or architect in charge of the preparation of the blueprints of the building has been included in the title.

History

—June 25, 1958, No. 104, p. 243, § 22; June 4, 1976, No. 157, p. 461, § 3; Apr. 5, 2003, No. 103, § 15, eff. 90 days after Apr. 5, 2003.

Section 23. -Contents of deeds of individual apartments

The deed of each individualized apartment shall state the particulars prescribed in Section 24 of this Act relating to the apartment concerned and, also, the percentage pertaining to said apartment in the common elements of the property. If the land on which structure is located is held under a lease or usufruct title, the deed shall so state, specifying the date on which the lease or usufruct expires.

History

—June 25, 1958, No. 104, p. 243, § 23; June 4, 1976, No. 157, p. 461, § 3.

Section 24. -Copies of plans to be appended to, or to accompany, deeds; authentication

The certified copy of the title originated by the first inscription of the entire building, and the certified copy of the title originated by the first inscription of the individualized unit for its inscription in the Registry of the Property shall be submitted as complimentary documents along with the complete true and exact copies of the blueprints of said building, or of the sketch of the apartment in question, pursuant to the cases, to be kept in the Registry of the Property. Such blueprints shall be certified, without payment of duties, by the Administrator of Regulations and Permits, and shall graphically indicate the particularities of the building or apartment, as the case may be.

Whenever it is desired to submit an existing building whose blueprints are not in the files of the Regulations and Permits Administration to the horizontal property regime, it shall be so stated by means of a certification issued to that effect by the Administrator. In such a case, the certified copy of the title

that, under such regime is originated by the first inscription of the total building, and the certified copy of the title originated by the inscription of the individual unit shall be accompanied by a set of blueprints, as built, certified by an authorized engineer or architect authorized for the practice of his profession in Puerto Rico, which graphically and clearly indicate the particularities of the building or apartment, as the case may be.

The certified copy of the title originated by the first inscription of the total building in the Registry of the Property shall also include an appraisal of said building, certified by an appraiser authorized for the practice of his profession in Puerto Rico. This appraisal shall be used in the calculation of the inscription fees to be paid in the Registry of the Property.

History

—June 25, 1958, No. 104, p. 243, § 24; June 25, 1959, No. 77, p. 209, § 1; June 4, 1976, No. 157, p. 461, § 3; Apr. 5, 2003, No. 103, § 16, eff. 90 days after Apr. 5, 2003.

Section 25. -Manner of recordation—Generally

Horizontal property is organized in the Registry under a system of parcels interconnected by cross-referenced marginal notes.

Inscription of the structure built upon the land shall be performed in the parcel in which the land is inscribed and shall be designated as master parcel.

Each unit shall be inscribed as a separate parcel, in a particular filial registry of the master parcel, unless the structure is built upon land belonging to another, in which case the master parcel shall be that in which the building is inscribed.

All the aforementioned inscriptions shall be preceded by the phrase “Horizontal Property”.

History

—June 25, 1958, No. 104, p. 243, § 25; June 4, 1976, No. 157, p. 461, § 3; Apr. 5, 2003, No. 103, § 17, eff. 90 days after Apr. 5, 2003.

Section 26. -Manner of recordation—Particular details with respect to registering building under principal record

When the structure is inscribed in the master parcel, those circumstances that appear in Section 87 of the Mortgage and Property Registry Act *[Repealed 2015]*, in harmony with those of the Regulations set forth for its execution, and with Section 22 of this Act., except that regarding the description of each unit in the structure, for the effects of the records in the master parcel, it shall suffice that the number of apartments that comprise the structure, number and type of apartment in each floor, stating the number of each, the area and participation percentage of the common elements that corresponds to each, all without prejudice to the provisions set forth in Section 27 of this Act, for the inscription of the individual apartment unit. In addition, the projected, initiated, and performed works shall be stated, as the case may be.

In said records, the common elements shall also be inscribed permanently, in behalf of the or those who become the owner or owners of the total building, and in the future, of the units, without stating their names and last names, and in the corresponding proportion.

History

—June 25, 1958, No. 104, p. 243, § 26; June 19, 1969, No. 43, p. 78; June 4, 1976, No. 157, p. 461, § 3; Apr. 5, 2003, No. 103, § 18, eff. 90 days after Apr. 5, 2003.

Section 27. -Manner of recordation—Particular details with respect to registering apartments by means of filial entries

At the time of inscription of the units in the filial parcels, those circumstances resulting from Section 87 of Mortgage and Property Registry Act *[Repealed on 2015]* in harmony with those of the Regulations set forth for their execution and with Section 23 of this Act., except for those referenced in subsection (a) of Section 22 of this Act shall be stated as circumstances of the entry in records.

Regarding the part of the general or limited common elements that, where appropriate, corresponds to the owners of the units, an opportune and brief reference to the entry in the master parcel in which they appear inscribed shall be made.

If the works on the land of the respective unit have not yet begun, the unit cannot be inscribed as either a filial or independent parcel. When the works in the apartment have begun, but have not yet concluded, those in which works are already finished, and those yet pending construction, shall be indicated.

History

—June 25, 1958, No. 104, p. 243, § 27; Apr. 5, 2003, No. 103, § 19, eff. 90 days after Apr. 5, 2003.

Section 28. -Declaration by public deed upon completion of structures; recording

The structures planned or begun which have been recorded pursuant to Section 26 of this Act, or the structures already commenced pursuant to the provisions of the preceding section, shall be declared by public deed upon their completion. Such declaration shall be made by the persons concerned and shall be recorded under the particular entry of the respective property. The final description of each completed apartment may be recorded, even though only the structures planned or under construction appear recorded, and a marginal reference note shall be made under the matrix record.

History

—June 25, 1958, No. 104, p. 243, § 28; June 4, 1976, No. 157, p. 461, § 3.

Section 29. -Conveyances or encumbrances

The conveyance or encumbrance referred to in Section 5 of this Act shall be entered under the particular principal or matrix record; but in cases coming under Section 6 of this Act, the entry shall be made under the particular filial record of the apartment, as a new estate, in accordance with the provisions of the last sentence of Section 27 of this Act.

History

—June 25, 1958, No. 104, p. 243, § 29, eff. 90 days after June 25, 1958.

Section 30. -Succeeding transactions; entry of proportional share in common elements as unnecessary

Succeeding transactions shall be entered under the filial records of the respective apartments.

The proportional share or percentage in the common elements appertaining to the owner of each apartment shall be deemed conveyed or encumbered jointly with the apartment, without need of entering under the principal or matrix record such conveyance or encumbrance of the proportional share in those elements.

History

—June 25, 1958, No. 104, p. 243, § 30, eff. 90 days after June 25, 1958.

Section 31. -New Floors, Acquisition of Adjacent Land, Release of Liens, and Provisional Entry

Notwithstanding the provisions of the preceding Section of this Act, the construction of new floors or the acquisition of new portions of adjacent land by the Condominium Association, with the approval of a qualified majority consisting of two thirds (2/3) of all owners that, in turn, hold two thirds (2/3) interest in the common elements to be added to the common elements of the property shall be recorded in the parent tract. Likewise, the total or partial release of liens prior to the constitution of the property into horizontal property and the provisional entries or records making express reference to the property or to the whole common elements thereof, shall be recorded in the parent tract, always leaving marginal notes of these operations in the records of the filial estates.

History

—June 25, 1958, No. 104, p. 243, § 31; June 4, 1976, No. 157, p. 461, § 3; Aug. 11, 1995, No. 153, § 1; May 21, 1996, No. 43, § 1; August 12, 2018, No. 218, § 5.

Section 32. -Description of deed in case of segregation of portions of common land conveyed jointly; recording

In case of segregation of portions of common land, conveyed jointly by all the co-owners, the public deed shall contain the description of the property just as the same will stand after the segregation of said portions of land. This new description shall be entered under the matrix record.

History

—June 25, 1958, No. 104, p. 243, § 32; June 4, 1976, No. 157, p. 461, § 3; Aug. 11, 1995, No. 153, § 1; May 21, 1996, No. 43, § 1.

Section 32A. -Division of apartments; consent by unit owners

Unless the original mortgage title, the bylaws of the property or the Regulations and Permits Administration specifically so prohibit, the apartments and their annexes may be the object of material division, by segregation, to form another unit or units susceptible of independent use; or they may be increased by the grouping of other adjacent portions of the same property; but no segregation or grouping so made shall have the effect of changing the purpose or use provided in the matrix deed for the apartment or apartments so modified.

In such cases, along with the consent of the affected unit owners, majority approval from the Condominium Association shall also be required, and the imposition of percentages or participation quotas shall be the duty of the Director or the Board of Directors, subject to the provisions set forth in

Section 8 of this Act, and without alteration of the percentages corresponding to the rest of the unit owners. The new description of the apartments affected, as well as the corresponding percentages, shall be set forth in the public deed of segregation or grouping that may be executed, which shall not take effect until it is recorded in the individual registry of each one of the filial properties affected, leaving a certified copy filed in the Registry of Property together with the matrix deed. To said certified copy shall be attached a plan, certified to by an engineer or an architect authorized to practice his profession in Puerto Rico, graphically and clearly showing the particulars of the apartment or apartments as modified. In the case of a segregation, said plan shall also be approved and certified to by the Regulations and Permits Administration.

History

—June 25, 1958, No. 104, p. 243, added as § 32-A on June 4, 1976, No. 157, p. 461, § 4; Aug. 11, 1995, No. 153, § 1; May 21, 1996, No. 43, § 1; Apr. 5, 2003, No. 103, § 20.

Section 33. -Recordation of real-property rights in apartments not recorded as to ownership or possession; form of demand

Whoever has any property rights over any uninscribed unit may request its inscription by means of observing the provisions set forth in the second paragraph of Sections 442 through 448, both inclusive, of the Regulations for the Execution of the Property Act *[Repealed on 2015]*.

When the parcel is inscribed in the name of another person, the person with property rights over an apartment may request the inscription of said rights, in compliance with the pertinent parts of the provisions set forth in Section 246 of Mortgage and Property Registry Act *[Repealed on 2015]*. The requirement or requirements upon the owner or owners of the unit that do not yet appear in the Registry, for purposes of having them inscribe their rights, shall be notarial and for a term of ten (10) working days.

History

—June 25, 1958, No. 104, p. 243, § 33; Apr. 5, 2003, No. 103, § 21, eff. 90 days after Apr. 5, 2003.

Section 34. -Waiver of horizontal property regime—Conditions for merger of filial estate in record

All the co-owners or the sole owner of a property constituted into horizontal property, may waive this regime and request of the Registrar the regrouping or merger of the filial properties in the matrix property, provided the former are unencumbered, or, in lieu thereof, that the persons in whose behalf said properties are recorded agree to substitute the security they have for the participation pertaining to such co-owners in the whole property, within the common property regime provided in Section 326 et seq. of the Civil Code *[Repealed on 2020]*.

History

—June 25, 1958, No. 104, p. 243, § 34; June 4, 1976, No. 157, p. 461, § 5.

Section 35. -Merger as no bar to subsequent constitution of property into horizontal property

The merger provided for in the preceding Section 34 shall in no wise bar the subsequent constitution of the property into horizontal property whenever so desired and upon observance of the provisions of this chapter.

History

—June 25, 1958, No. 104, p. 243, § 35, eff. 90 days after June 25, 1958.

Section 36. -Bylaws; insertion or attachment to deed; certified copies filed in Registry

The administration of every property constituted into horizontal property shall be governed by the provisions of this chapter and also by Bylaws which shall be inserted in or attached to the deed of constitution. A certified copy of said deed and of the bylaws and of any amendment thereto shall be filed in the Registry of Property.

History

—June 25, 1958, No. 104, p. 243, § 36; June 4, 1976, No. 157, p. 461, § 5.

Section 36A. -Initial administration by Co-owner or Co-owners, powers and duties

The owner or owners that submit the property to the horizontal property regime shall assume the initial administration of the property, with all the powers and duties conferred and imposed by this Act, and those conferred and imposed by the Bylaws upon the Director or the Board of Directors, the President and the Secretary.

(a) The interim administration shall begin as soon as the first apartment is sold. From that time, neither the master deed nor the plans of the condominium may be amended without the consent of all owners, except to conform the master deed to the plans recorded.

(1) From the first sale, the developer shall have the following options for interim administration:

(A) To assume all expenses of maintenance of common areas and facilities until fifty-one percent (51%) or seventy-five percent (75%)—at the discretion of the developer—of the apartments are sold. If the above percentage is not reached within twenty-four (24) months from the first sale, the developer shall have the option to collect from the owners of the apartments sold the cost for maintenance of the common elements and facilities in accordance with paragraph (B), upon notifying the owners within thirty (30) calendar days in advance of the payment due date. Thereafter, the developer shall comply with all the applicable provisions. Any developer that began to collect maintenance fees from the first sale and the apartment buyers shall contribute pro rata toward future expenses of maintenance of said areas and facilities in accordance with the percentage of interest provided in Section 22 of this Act, thus, the developer shall contribute an amount corresponding to the remaining percentage, regardless of the number of apartments that are yet to be build or sold; or

(B) collect the proportional part of the maintenance fees for such common areas and facilities from the owners of the apartments that have been sold, according to the percentage set forth in Section 22 of this Act, upon an annual budget to be prepared by the developer, pursuant to that which is set forth below in clause (6) of subsection (b) of this section. The developer shall pay the amount corresponding to the remaining percentage, regardless of the number of apartments yet to be built or sold.

Any disposition stating something other than what is set forth in paragraphs (A) and (B) of this clause above in the master title or the Regulations shall be null and void.

(2) When the developer defrays all the expenses, according to the option set forth in clause (1)(A) of this subsection, he shall not have to render audited reports of his activities, and may continue in temporary administration until fifty-one percent (51%), or seventy-five percent (75%), of the units are sold at the discretion of the developer of the units. At such a time, the unit owners shall be legally bound to assume the administration of the condominium as soon as the temporary administrator convenes the assembly for the election of the first Board of Directors, as set forth in subsection (c) of this section, once there has been compliance with all the provisions set forth in subsection (f) of this section. Assumption of the administration by the unit owners shall not imply refusal of any claims that may proceed against the developer due to the temporary administration.

(b) The temporary administrator shall have the following duties:

(1) To address all matters concerning good government, administration, surveillance, preservation, care, repair, and operations of common effects and elements, and the general and necessary services for compliance with the foregoing in this subsection.

(2) To maintain a book of unit owners with the name, signature, telephone number, mailing address, and physical address of the unit owners, keeping a record of successive transfers and leases in identical manner, and maintaining a copy of the titles that prove the ownership of each unit.

When the developer collects from the unit owners pursuant to subsection (a)(1)(B) of this section, the temporary administrator shall have the following responsibilities, as well as those stated in the foregoing paragraph:

(3) To manage the financial matters of the condominium and maintain a detailed book of all receipts and disbursements affecting the building and its administration, recording the same by date, and specifying expenses for preservation and repairs of common elements. Each disbursement shall be evidenced by a voucher, invoice, or receipt. The book of vouchers, invoices, and receipts shall be made available for the examination of the owners on working days and hours. The Temporary Administrator shall notify the owners of the location at which the same shall be available.

(4) To collect from the unit owners the amounts that each shall contribute toward the common expenses, and perform any other collections to which the community is entitled, particularly overseeing that the owner of the unsold units continues to make the deposits of the proportional amounts corresponding to such units, in the account of the community property, included in the reserve fund. The temporary administrator shall collect from the unit owners for advance maintenance fees, at the closing, one (1) monthly budgetary payment referenced in clause (6) of this subsection, and two (2) monthly payments as a special payment to the reserve fund. The temporary administrator cannot collect any other amount in advance.

(5) To notify all unit owners, after the first sale, the annual budget based upon actual and reasonable maintenance expenses projected for the following year after the first sale.

(6) To prepare the budget, overseeing that it reasonably responds to the economic needs of the condominium, without including the property preservation and maintenance expenses prior to the sale of the apartments, nor any expense related to the termination of the construction works of the building or the apartments, or to the sales process of same. The projected budget can only be modified with prior notification to all unit owners thirty (30) days in advance of the closing of the year's budgetary operations, to take effect in the next operations year.

(7) To notify the unit owners monthly of the receipts and disbursements of the condominium and the bank balance of the account for the month preceding the notification.

(8) To maintain a book of unit owners with the name, signature, telephone number, mailing address, and physical address of the unit owners, keeping a record of successive transfers and leases in identical manner, and maintaining a copy of the titles that prove the ownership of each unit.

(9) To make available to the unit owners for their examination, all agreements made pertaining to his/her duties as Temporary Administrator.

(c) The transfer of the administration shall take place:

(1) In those cases in which the developer collects maintenance fees from the unit owners starting from the first sale, as soon as the owners choose the persons to be in charge of the administration in an extraordinary meeting that may be convened at any time by any of the individual unit owners, or

(2) as soon as the unit owners choose the persons to be in charge of the administration in an extraordinary meeting to be convened by the unit owner that submitted the building to the horizontal property regime, once more than half of the units has been individualized and transferred, or a sufficient number of units for their combined participation percentages to be more than fifty-one percent (51%).

(d) In the meeting in which all unit owners are to elect the persons to fill the directing positions, the owner or owners who up to that time had been in charge of the administration shall hand over all the information and documents set forth below to the Unit Owner's Association.

(e) The Transition Committee.— Prior to the election of the first Board of Directors and the transfer of the administration to same, any unit owner may convene an assembly for purposes of electing a Transition Committee whose duty shall be to obtain all the pertinent information and documentation regarding the operations of the temporary administration. The assembly for the election of said Committee shall be held on the date and at the location indicated by the summons, which shall be signed by the owner or owners who are issuing the convocation, and for which quorum shall be constituted by the owners who attend, who shall designate the members of the Committee by majority. If the developer collects maintenance fees, if the time arrives in which fifty percent (50%) of the units would have been sold without the owners having constituted the Transition Committee, the Temporary Administrator shall convene the owners no later than forty-five (45) days prior to the meeting in which the first Board of Directors shall be elected, pursuant to subsection (c) of this section.

The Transition Committee may require a detailed report of the status of the condominium, and may review all the related public documents, such as titles, use permits, agency authorizations, etc., from the

temporary administrator, and from the developer when same is acting as temporary administrator. It may also review and inspect the documents pertaining to the finances of the regime, including the fidelity bond set forth below. The Committee shall have the right to make a copy any of these documents.

(f) Before the assembly set forth in subsection (c) of this section is held, the Temporary Administrator shall provide the following to the Transition Committee:

(1) The community's accounting books, duly audited and certified by an independent certified public accountant, if the owners were charged fees for the maintenance of common areas and facilities during the temporary administration. In such a case, the auditor shall also issue an opinion regarding the reasonability of the expenses incurred for the maintenance of the common property during said temporary administration. If there were a difference between the receipts and the expenses on the date of the administration transfer, the temporary administrator shall not have the right to claim said difference from the owners, nor to compensate it with the debt that is certified.

(2) Copies certified by the authorizing notary and the authorities with jurisdiction of all the documents and public instruments that constitute the building, setting forth that the certified copy shall be issued in behalf of the Condominium Association free of charge, pursuant to Notarial Act (Act 75 of July 2, 1987) .

(3) Updated Book of Unit Owners.

(4) A certification issued by the Secretary of the Department of Consumer Affairs stating that the bond required in clause (12) of this subsection has been paid.

(5) All funds belonging to the unit owners in its keeping, including any amount designated as a reserve, or which may have been otherwise withheld by the mortgager at the time of the closing of each unit.

(6) Bank accounts, deposits, securities, etc., belonging to the unit owners with their corresponding deposit and withdrawal slips, statements, bank reconciliations, and all other related documents.

(7) Certifications of the status of any legal, extra judicial, or administrative action related to the common areas, or any other aspect that affects the operations of the condominium.

(8) A certified sworn statement which states that the developer or the temporary administrator has provided the following documents to each unit owner:

(A) Copy of the Budget of the Condominium.

(B) Copy of the Master Title and a copy of the Regulations of the condominium.

(C) Copy of the use permit of the apartment.

(D) Copy of this Act and the Regulations for Condominiums of the Department of Consumer Affairs.

(9) A list of all the maintenance fees payments paid by the unit owners during the term of the temporary administration, including those paid by the developer for the yet unsold or unbuilt units.

(10) The originals of all agreements granted by the developer or the temporary administrator during their administration term.

(11) A copy of the complete set of the certified blueprints filed in the Registry of the Property showing the changes made, if any, to the original blueprints submitted pursuant to Section 22 of this Act..

(12) Certified copy of the fidelity bonds that shall take effect at the time of the transfer of the administration to the Condominium Association. The bonds shall be issued by an entity authorized by the Insurance Commissioner, covering:

(A) All the maintenance fees in default which the same was legally bound to pay, as determined by the authorized public accountant who certifies the financial statements at the time of the transfer of the temporary administration to the unit owners, as set forth in this section.

(B) The negligent performance of his/her temporary administration duties. In any case, this fidelity bond shall be for an amount of not less than twenty-five thousand dollars (\$25,000).

Said fidelity bonds shall be issued in behalf of the Condominium Association, and shall remain in effect for two (2) years, starting from the transfer of the administration to the unit owners.

The cost of the bonds set forth herein, which remains in effect for two years, as well as that of the related expenses for the rendering of the foregoing information and documentation shall be at the expense of the developer.

The Transition Committee shall inform the steps taken and its findings to the Condominium Association at the meeting held for the election of the Board of Directors, as set forth in subsection (c) of this section.

No agreement granted during the term in which the administration of the building was under the responsibility of the unit owner that submitted the same to the horizontal property regime shall bind the Condominium Association, unless the unit owners, by majority vote, ratify said agreement.

The developer or temporary administrator who does not comply with the duties set forth in this section shall be compelled to reimburse to the Condominium Association all the expenses incurred by the condominium to claim compliance with the referenced duties, including legal fees paid to attorneys and experts, as well as all the items owed and the damages caused by said noncompliance, all without prejudice of imposition of administrative penalties, pursuant to the provisions set forth in Section 51 of this Act.

This section shall be of limited interpretation for the protection of the rights of the unit owners.

History

—June 25, 1958, No. 104, p. 243, added as § 36-A on June 4, 1976, No. 157, p. 461, § 6; Apr. 5, 2003, No. 103, § 22, eff. 90 days after Apr. 5, 2003; August 12, 2018, No. 218, § 6.

Section 37. -Necessary contents of regulations; modifications of system; recording

The regulations may contain all those norms and rules regarding the use of the building and its apartments, the exercise of rights, installations and services, expenses, administration and government, insurance, preservation and repairs that do not contravene the provisions set forth in this chapter, and shall provide for the following issues:

(a) Manner of administration, indicating if same shall be under the responsibility of a Director or a Board of Directors, stating his/her duties, removal, and, where appropriate, remuneration. It shall also specify which duties and responsibilities, if any, may be delegated to an administrator by the Director of the Board of Directors.

(b) Uniform unit owners' assembly convocation or summons system, stating the method of notification that allows for making same evident.

(c) Definition of the concept of majority that shall govern in the condominium.

(d) Person who shall preside and be in charge of the minutes in which agreements shall be recorded.

(e) Care, tending, and surveillance of the building's common, general or limited elements and services.

(f) Method of collecting the unit owner funds for the payment of common expenses.

(g) Designation and termination of the necessary personnel for the performance of common, general, or limited works and services for the building.

At any time, the single owner of the building, or, if there are more than one, two thirds of the owners and participation percentages in the common elements of the building, regardless of the definition of majority that governs the condominium, may modify the Regulations, if each matter contained in this section is regulated. The modification shall be documented in a public title and also inscribed in the particular registry of the master parcel, with a certified copy of same remaining in the files of the Registry of the Property, as set forth in Section 36 of this Act.

The modification shall bind all unit owners from the moment in which the affirmative vote of two thirds of the unit owners is obtained, or the term of thirty (30) days set forth in subsection (e) of Section 38C of this Act herein elapses, with no opposition from more than one third of the unit owners. Regarding a third party, the modification shall not take effect until the date of submittal for filing in the Registry of the Property of the public title in which the amendment is stated, and a certified copy of same is attached to the title of constitution of the regime, and a record of the modification of the Regulations is made in the particular registry of the master parcel.

History

—June 25, 1958, No. 104, p. 243, § 37; June 4, 1976, No. 157, p. 461, § 7; Aug. 11, 1995, No. 153, § 1; May 21, 1996, No. 43, § 1; Apr. 5, 2003, No. 103, § 23, eff. 90 days after Apr. 5, 2003.

Section 37A. -Regulations for mixed use

When a building that contains, or shall contain, units that are intended for residential use along with units that are not intended for residential use is submitted to the horizontal property regime, the

regulations shall provide whatsoever is required to avoid restricting the unit owners' rightful use and enjoyment of the common elements, as well as to forestall the imposition of an undue financial burden for the expenses of the common elements. With this objective in mind, the following matters shall be addressed:

(1) The inclusion of at least one (1) director in the Board of Directors who is the owner of a housing unit that is not intended for residential use.

(2) The minimum provisions to ensure that the users of the nonresidential area shall have access to the same during working hours, according to the intended use of the unit or area.

(3) All those measures and restrictions required to guarantee peace and quiet for the occupants of residential units, especially after working hours.

(4) Provisions pertaining to the insurance, use, and maintenance of the commercial areas and facilities, to protect the investment of the unit owners, without restricting the right or encumber the obligations of the residential units.

(5) It shall be understood that the rate for the electric power service consumed by those customers who represent owner or tenant boards, councils or associations in structures constituted under Act No. 103 of April 5, 2003, known as the "Condominiums Act", shall be the residential rate and not the commercial rate. Said conversion shall be applied exclusively to those bills on electric power service consumption of the common elements of the real property used solely to promote the residential use of the structure. Those structures built under the "Condominiums Act" that have both residential and commercial uses therein shall be able to avail themselves of the rate adjustment provided in this subsection, provided that the electric power service consumption of the common elements exclusively used for residential purposes have a service connection and a meter that are independent from those used for commercial purposes.

History

—June 25, 1958, No. 104, p. 243, added as § 37-A on Apr. 5, 2003, No. 103, § 24; Aug. 7, 2008, No. 199, § 1.

Section 38. -Condominium Association—Powers and duties

The Condominium Association constitutes the supreme authority over the administration of the building submitted to the horizontal property regime, and shall be constituted by all the unit owners. Its resolutions and agreements adopted in duly convened and constituted assemblies, shall be of obligatory compliance for each and all of the unit owners, occupants, residents, and others who are related to the condominium.

The Condominium Association shall have its own legal personality and shall answer for its responsibilities to third parties subsidiarily, and only with their own apartment unit.

The Condominium Association shall not assume the entity of a corporation or partnership.

It is the duty of the Condominium Association to:

(a) Elect, by affirmative majority vote, the persons that shall fill the following positions:

(1) Director or Board of Directors.— In condominiums with more than fifteen (15) owners, a Board of Directors shall be elected, consisting of, at least, one President, one Secretary, and one Treasurer. The Regulations may provide for additional positions. All positions shall be at the disposal of the Condominium Association during the Annual Meeting in order for the Condominium Association to nominate and select separately each member of its Board of Directors. These positions shall be held for a term of one (1) year. No position in the Board may be held beyond its term without the approval of a majority of the Condominium Association.

With the exception of the positions of Director, President, Treasurer, or Secretary, which shall of necessity belong to the Condominium Association, the representative of a unit owner who is able to present stated evidence issued by same, subscribed before a notary, may be elected to fill the remaining positions. The directors shall be personally accountable for their actions while acting as such, should they incur a crime, fraud or gross negligence. In any other case in which monetary responsibility is imposed on an owner for his/her actions as director, the Condominium Owners Association shall cover said expenses. The Association may acquire insurance policies to cover said risks.

(2) The Administrator, who shall not be a member of the community of owners and onto whom the Condominium Association, the Director, or the Board of Directors, may delegate the powers and responsibilities allowed under the Regulations. The Secretary of the Department of Consumer Affairs may adopt regulations for training or certifying administrators, and the payment of the corresponding fees.

No person may hold office in the Board for more than three (3) consecutive terms. Once a person has held office for more than three (3) consecutive terms, said person shall not hold the same office in the Board until two (2) years have elapsed from the time he held that office. Notwithstanding the foregoing, if at a meeting duly called and constituted to elect the members to the Board of Directors, there is no other person available to fill the office of the person who has held it for three (3) consecutive terms, as an exception to the rule established in this Section, said person may be eligible for holding such office for one additional term if he is elected by the Condominium Association at the meeting.

(b) Know the claims raised by the unit owners against subsection (a) and remove them by majority agreement obtained in an extraordinary meeting held for such purposes.

(c) Approve the foreseeable receipts and disbursements plan for the next fiscal year, and the account statements of the year that is ending.

(d) Approve the execution of extraordinary works and improvements, and collect funds for their completion. The annual budget shall include a reserve fund item of not less than five percent (5%) of the operational budget of the condominium for that year.

This fund shall be increased up to an amount equal to two percent (2%) of the value of reconstruction, at which time the Condominium Association shall decide whether it shall continue making deposits to same. The funds shall be kept in a special account, separate from the operations account, and shall only be used, in whole or in part, for extraordinary and urgent works and improvement works, as set forth

below. As soon as the balance of the fund is below the aforementioned limit, the necessary deposits shall be made for the restitution of said limit.

(1) Extraordinary works.— The President and the Treasurer may jointly make withdrawals from the reserve fund to defray costs for this type of works, with prior authorization from the majority of the Condominium Association, duly convened in extraordinary assembly to address this specific matter. The banking institution in which the reserve fund is deposited shall require a certification from the Secretary of the Condominium Association, sworn in the presence of a notary, stating the convocation and the agreement authorizing the withdrawal, and the amount authorized, and that the authorization of the Condominium Association has not been challenged before any legal or administrative forum.

All maintenance works unforeseen in the annual budget requiring ten percent (10%) or more of said budget, or the imposition of an apportionment for their execution shall be understood to be extraordinary works.

(2) Urgent works.— The President and the Treasurer may jointly perform withdrawals from the reserve fund for all urgent works unforeseen in the annual budget, whose execution requires ten percent (10%) or more of said budget, or the imposition of an apportionment, with prior majority agreement of the majority of the Condominium Association, duly convened in extraordinary assembly to address this specific matter. The assembly to authorize the disbursement may be convened within seventy-two (72) hours without convening for a second time. It shall suffice that a certification from the Secretary of the Condominium Association, sworn in the presence of a notary, stating the convocation and the agreement authorizing the withdrawal and the amount that was approved is presented to the banking institution in which the reserve funds are deposited for the withdrawal of funds for urgent works. All works whose execution cannot be postponed due to pressing security reasons, or because they are needed for the restoration of essential utility services, such as water and electricity supply, or the operation of the elevators, shall be understood to be urgent works.

(3) Improvement works.— In condominiums where at least one apartment is intended for residential use, improvement works may only be carried out upon the approval by a qualified majority of two thirds (2/3) of the owners that, in turn, hold two thirds (2/3) interest in the common elements, if sufficient funds are available to defray such works without the need for imposing an assessment. The procedure established in paragraph (1) above shall be followed for the withdrawal of funds for carrying out these works.

Notwithstanding the foregoing, the installation of an industrial power generator to supply energy to common elements or individually for the benefit of all apartments, using the condominium's electric power infrastructure may be authorized upon the approval by a qualified majority of two thirds (2/3) of the owners that, in turn, hold two thirds (2/3) interest in the common elements, even if the imposition of an assessment is required therefor. Likewise, it is provided that when the installation of an industrial power generator requires altering the exterior appearance of the building or modifying the purpose and/or use of an area included in the master deed, such a change may be made upon the approval by a qualified majority of two thirds (2/3) of the owners that, in turn, hold two thirds (2/3) interest in the common elements; thus clarifying that the unanimous consent of the owners shall not be required. Also, by a qualified majority vote, owners may reach agreements as are appropriate regarding the use of the generator to supply power to private areas.

Improvements shall be deemed to be any capital works other than maintenance works, aimed at increasing the value or productivity of the property in question, or to provide better services for the enjoyment of the apartments or common elements.

Owners who have limited common elements may carry out, at their own expense, and upon obtaining the consent of all benefited owners, such improvements or investments deemed convenient for such limited common elements; provided, that the safety and structural integrity of the building are not jeopardized or the enjoyment of other units by their owners is not hindered.

In case of condominiums intended exclusively for commercial or professional purposes, two thirds (2/3) of the owners that, in turn, hold two thirds (2/3) interest in the common elements of the property, may approve any improvement works deemed pertinent notwithstanding the availability of money in the reserve fund established in this Section. The use established for an area or commercial or professional premises may be changed by the same number of votes, if the master deed so authorizes.

(e) The provisions of the preceding subsections notwithstanding, no changes or improvement works that hinder the enjoyment of any apartment shall be authorized without the consent of the owner. Furthermore, no works that, in the judgment of an expert, would jeopardize the safety or structural integrity of the building or the architectural design thereof shall be authorized by the two thirds (2/3) qualified majority provided herein. The alteration of the external appearance of the architectural design of the property shall require the unanimous consent of the owners, except as otherwise provided in subsection (d) and in subsection (e) of Section 15 of this Act.

(f) To impose by means of the affirmative vote of the majority of the unit owners, a special fee:

(1) upon owners of units whose occupants or visitors, without curtailing or restricting the legal rights of other unit owners, regularly make such intensive use of any common element that the operational, maintenance, or repair expenses for said common element surpasses the reasonable expenses to be incurred in the normal and customary use of the referenced facility;

(2) upon owners of units that, due to the nature of the activity legally carried out in their units, in agreement with the intended purposes of same established in the constitution title, cause greater common expenses than would be incurred if the unit concerned did not carry out the referenced activity. The amount imposed to cover the referenced excess costs shall be added to, and collectible as a part of, the expenses that may be attributed to said units.

(g) Approve the suppression of architectural barriers that obstruct access or mobility for persons with physical disabilities.

(h) Approve or amend the regulation referenced in Section 36 of this Act.

(i) Order the suspension of services received through, or by means of, the general common elements, including water, gas, electricity, telephone, and/or any other similar utility services, to unit owners in default, who owe two (2) or more consecutive monthly fee payments, for not paying their maintenance fees or their proportional part of the common insurance, gratuitously enjoy the elements whose maintenance they do not contribute toward as they should. However, in view of noncompliance with the first installment, the Board of Directors or the Director shall send a notification to inform the intent

to suspend the services on the due date of the second consecutive unpaid installment, pursuant to the procedure established by the Condominium Association and set forth in the regulations. In the case of an apportionment whose installments have not yet been incorporated in the monthly maintenance fees, suspension of the services may be carried out after two (2) months elapse from the due date established for the payment of the final installment, and as in the case of nonpayment of the maintenance fees, such services shall not be reinstated until the total amount due is paid. Prior to the interruption of the aforementioned services, the Director or the Board of Directors shall ensure that in so doing the health or the life of the affected party are not affected.

(j) To authorize the Board of Directors, by express delegation under the Regulations, to impose penalties up to one hundred dollars (\$100) per violation on the owner or resident who breaches the rules of peaceful coexistence established in the master title, the Act, or the Regulations. The Condominium Association shall approve a system to implement fines, which shall include the maximum amount of the fine to be imposed for each violation and the method to challenge the same. This shall be stated in the Regulations approved by the Condominium Association.

(k) Intervene and make decisions regarding those matters of general interest for the community, as well as take the necessary and convenient steps for the best common service.

History

—June 25, 1958, No. 104, p. 243, § 38; June 4, 1976, No. 157, p. 461, § 7; Dec. 13, 1994, No. 129, § 1; Aug. 11, 1995, No. 153, § 1; May 21, 1996, No. 43, §§ 1, 3; Apr. 5, 2003, No. 103, § 25 eff. 90 days after Apr. 5, 2003; Sept. 17, 2012, No. 261, § 2; June 14, 2018, No. 111, § 1; August 12, 2018, No. 213, § 1.

Section 38A. -Condominium Association—Meetings, notice, proceedings

The Condominium Association shall meet at least once a year to approve budgets and accounts, and on those other occasions in which the President convenes, a majority of the members of the Board of Directors, or one fifth (1/5) of the unit owners, or a number of same whose apartments represent at least twenty percent (20%) of the participation percentages in the common elements.

The person or persons issuing the notice shall state the matters to be dealt with, as well as the date, time, and place of the meeting and shall sign the notice. Notices shall be given in writing and delivered to the apartment of every unit owner, or by means of a certified letter or electronic mail. However, the unit owner's previous authorization shall be required to give notice by electronic mail. In case of unit owners who do not reside in their units, owners who have relocated temporarily or who cannot be contacted, the certified letter or electronic mail shall be sent to the address provided by the unit owner. Every unit owner shall be required to keep his contact information up-to-date and any notice shall be deemed to have been given if delivered according to the information on the Association's record.

When the Governor of Puerto Rico has declared a state of emergency on the island, and the holding of an emergency Association meeting is required, and it is impossible to give notice by personal delivery or electronic mail to the owners who do not reside or who are not in their units, a copy of the notice shall be placed at a conspicuous place of the building within at least seventy-two (72) hours before the meeting and such notice shall be given by any available means, including, but not limited to, text message, voice mail, or telephone call. A second notice shall not be necessary for this kind of meeting.

The summons shall be issued ten days in advance of the date of the ordinary annual meeting, which shall be set forth in the Regulations, as well as for the extraordinary meetings, whenever possible, for same to reach all the interested parties.

The Association may meet validly without the issuing of convocation, if all the unit owners concur and so decide.

The holding of a meeting of the Condominium Association for a determined purpose shall not be necessary if all unit owners with the right to vote in such a meeting waive the referenced meeting and issue their consent for the proposed action to be taken in writing.

Regardless of the provisions set forth in subsection (e) of Section 42 of this Act, the Condominium Association, by majority vote, may authorize the reimbursement to the unit owner or owners of expenses incurred, including a reasonable amount for legal fees, if any, to achieve the holding of an assembly whose convocation was opposed by the President or the Board of Directors.

History

—June 25, 1958, No. 104, p. 243, added as § 38-A on June 4, 1976, No. 157, p. 461, § 8; Aug. 11, 1995, No. 153, § 1; May 21, 1996, No. 43, § 1; Apr. 5, 2003, No. 103, § 26, eff. 90 days after Apr. 5, 2003; Dec. 29, 2018, No. 302, § 1.

Section 38B. -Condominium Association—Vote; representation

Attendance to the meetings of the Condominium Association shall be in person or by legal or voluntary representative, and the delivery of a proxy form signed by the owner. The document shall be dated and shall indicate the date of the assembly for which the representation is being authorized, unless the same is a general power of attorney granted before a notary. By regulations or agreement of the Condominium Association, a manner of authenticating the signature of the unit owner shall be established prior to initiating the assembly.

Representation in condominium assemblies in which there is at least one unit intended for residential use may be exercised solely by persons of legal age who in turn are unit owners, family members of same up to the second degree of consanguinity, the spouse, lessees of the unit, or agents of the unit owner by virtue of a power of attorney issued before an attorney or the legal representative of the unit owner. No person authorized to represent a unit owner may exercise the right to vote in representation of more than one unit owner.

Each unit owner shall have the right to one vote, regardless of the number of units he/she owns, for purposes of the calculation of the numerical majority of titleholders, and/or the right to vote according to the percentage that corresponds to his/her unit, depending on the definition of the concept of majority that governs the building.

When one or more units belong to a legal entity, said legal entity shall designate the person that shall attend the meetings and exercise its corresponding right to vote in representation of same by means of corporate resolution.

If several owners own a unit jointly, said owners shall name a single person to represent their community.

If the apartment is held in usufruct, attendance and voting correspond to the bare owner who, unless otherwise stated, shall be deemed to be represented by the usufructuary; said delegation shall be expressly made in writing for agreements, special works or improvement works requiring a unanimous vote, or of three fourths (3/4), or two-thirds (2/3) of all owners. No person may vote by proxy on behalf of more than one owner.

History

—June 25, 1958, No. 104, p. 243, added as § 38-B on June 4, 1976, No. 157, p. 461, § 8; Aug. 11, 1995, No. 153, § 1; May 21, 1996, No. 43, § 1; Apr. 5, 2003, No. 103, § 27, eff. 90 days after Apr. 5, 2003 ; August 12, 2018, No. 218, § 7.

Section 38C. -Condominium Association—Decisions, rules; quorum; notice to absentees

The agreements of the Condominium Association shall be subject to the following rules:

(a) Except for the provisions set forth for meetings convened pursuant to subsection (d)(2) of Section 38 of this Act, regarding urgent works, quorum for Condominium Association assembly meetings shall be comprised by one third (1/3) of the unit owners that attend personally or by representation, or one third (1/3) of the unit owners that attend, who in turn comprise one third (1/3) of the participations in the common elements, depending upon the definition of majority set forth by the regulations.

(b) When quorum is not met due to lack of attendance of unit owners on the date of the convocation in a meeting to make an agreement, a new convocation shall be issued containing the same requirements as the first. However, the assembly cannot be held before twenty-four (24) hours have elapsed from the date of the meeting of the first convocation. At such a meeting, those who attend shall constitute quorum.

(c) In meetings held on second convocation, the majority required by Regulations for the approval of agreements shall be calculated considering the number of unit owners present or represented at the time of approval of the agreement as one hundred percent (100%).

(d) When all unit owners present in a meeting held for the approval of an agreement requiring unanimity approve said agreement, those duly summoned unit owners who did not attend shall be notified by reliable and detailed means of the approved agreement, and if, within thirty (30) days from the date of said notification, said unit owners do not state their discrepancies in the same manner, they shall be legally bound by the agreement, which shall not be executable until such a term elapses, unless they state their acceptance within a shorter term.

Opposition to an agreement requiring unanimity shall be specifically sustained in the assembly or in writing, as set forth in the foregoing paragraph, and shall not be brought forth upon a whim or the mere invocation of the property rights. Unfounded oppositions shall not be considered.

Once an agreement to incur a certain expense or perform a certain work or project requiring the unanimous vote of the unit owners is reached, the details or ancillary measures for the execution and finalization of said work or project shall not be subject to the approval of all the unit owners, sufficing for same, in the case of requiring a consultation of the Association, the obtainment of approval by majority vote.

(e) When at a meeting called to amend the Regulations or to adopt any amendment requiring the vote of three fourths (3/4) or two thirds (2/3) of all owners, the percentage required for approval is not achieved, those who did not attend despite being duly called, shall be duly and thoroughly notified of the agreement adopted by a majority of those present, granting a period of thirty (30) days from the date of notice, to state whether they agree or disagree with the agreement made. Any opposition to the measures or the amendments proposed at a meeting shall not be based on mere caprice or the mere exercise of ownership rights. Unfounded opposition shall be deemed not filed. Provided, that the vote of owners who fail to state their opposition in the manner provided herein and within the granted period shall be counted in favor of the agreement. Said agreement shall be executable upon approval by three fourths (3/4) or two thirds (2/3) of all owners.

(f) The agreements of the Condominium Association shall be recorded in the minutes. The minutes shall necessarily include the location, date and time of the meeting, the matters proposed, the number of attending unit owners, stating their names and the participation percentages represented by same, the manner in which the meeting was convened, the text of the adopted resolutions, the votes in favor and against, and the explanations of the votes or statements which any unit owner may wish to state for the record.

(g) The President and the Secretary shall sign the minutes at the end of their text.

History

—June 25, 1958, No. 104, p. 243, added as § 38-C on June 4, 1976, No. 157, p. 461, § 8; Aug. 11, 1995, No. 153, § 1; May 21, 1996, No. 43, § 1; Apr. 5, 2003, No. 103, § 28, eff. 90 days after Apr. 5, 2003; August 12, 2018, No. 218, § 8.

Section 38D. -Condominium Association—Director or board of directors; powers and duties

The Director or Board of Directors constitutes the executive organ of the community of co-owners and shall have the following duties and powers:

(a) To take care of everything relating to the good government, administration surveillance and operation of the regime and especially in regard to the things and elements of common use and the general services, and to make, for such purposes, the proper warnings and admonitions to the co-owners.

(b) To prepare with due anticipation and to submit to the Council the annual budget of foreseeable expenditures and receipts and to fix the proportionate contribution corresponding to each co-owner.

(c) To direct the financing matters concerning the collection and payments and to keep a book with a detailed account in chronological order, of the receipts and expenditures affecting the property and its administration and specifying the maintenance and repair expenses of the common elements, and to have available for examination by all the co-owners, at convenient hours and days that shall be set for general knowledge, said book as well as the vouchers accrediting the entries made.

(d) To collect from the co-owners the amounts they must contribute for the common expenses and to make all other necessary collections and payments, issuing the corresponding receipts and checks.

(e) To open a bank account in the name of the community of co-owners, into which it shall cover all the receipts of the regime, making the deposits within such term after they are received as may be fixed by the bylaws; to draw checks against said account to meet all necessary payments, but taking care not to draw them to bearer and that each one has its corresponding voucher and receipt.

(f) To submit to the approval of the Association a balance sheet corresponding to the closing year. The balance sheet shall indicate the total amount received from quotas for common expenses and from other sources, an itemized breakdown of all the expenses incurred, the compensations received by the managing agent, if any, receivable accounts for common expenses and for other reasons, balance for the following year, and the amount available as reserve fund. The Director or Board of Directors shall be responsible for having a copy of the balance sheet sent to each co-owner at least fifteen (15) days before the date of the regular annual meeting.

(g) To take care of the maintenance of the property and order the ordinary repairs, and as to the special ones, to adopt the necessary measures, forthwith notifying the Association.

(h) Keep the books of the unit owners, in which the names, signatures, and other information regarding the unit owners shall be recorded, as well as the successive transfers or leases that take place in said units. The book shall be used to authenticate the signatures of the unit owners when necessary.

(i) To comply and enforce compliance with the provisions of this chapter and of the Bylaws and with the resolutions of the Council of Co-owners.

(j) To increase or reduce the quotas for common expenses and to fill vacancies of members of the Board of Directors subject to revocation by the Council of Co-owners.

(k) Relieve the Administrator of his/her duties for just cause. Just cause shall mean culpable negligence in the discharge of duties, dishonesty, or the breach of the codes of good conduct set forth in the Regulations of the condominium, or noncompliance with the duties set forth in the contract. The Director or the Board of Directors shall convene the Condominium Association no later than thirty (30) days after the relief of duties to inform said action, for same to act as he/she deems convenient.

(l) Any other powers assigned by the regulations or by the Condominium Association.

History

—June 25, 1958, No. 104, p. 243, added as § 38-D on June 4, 1976, No. 157, p. 461, § 8; Apr. 5, 2003, No. 103, § 29, eff. 90 days after Apr. 5, 2003.

Section 38E. -Condominium Association—President

The President shall represent the community in and out of court in matters that affect it, and shall preside over the Condominium Association meetings. The President shall also appear on behalf of the condominium in the execution of deeds and other documents in which the Condominium Association is a party.

When dealing with actions to enforce this or any other applicable law, the Regulations of the Condominium, or the agreements of the Condominium Association, or in behalf of the Condominium Association or the Board of Directors in representation of the latter, shall appear in court as defendant or plaintiff. The President may appear on behalf of said bodies and file the actions and defenses he

deems appropriate, selecting the legal representation he deems convenient, upon prior consultation with the Board. The President shall notify the owners of the actions taken within thirty (30) days, calling the Condominium Association to adopt the agreements deemed convenient, including the confirmation or revocation of the retained legal representation. Professional services rendered by persons who are owners, Board members, or persons related up to the fourth degree of consanguinity to the members of the Board or the owners, may be contracted only if during the evaluation period prior to the contracting at least three (3) quotations were requested and reviewed for the same services. Two (2) of said quotations shall be requested from companies or individuals who are not members of the Board or owners of the condominium or related to the Administrator. If it is shown that, due to the nature of the service or the inexistence of other potential bidders, it was not possible to obtain the three (3) necessary quotations, the secretary shall state in writing in the minutes of the Board of Directors the efforts made therefor, and that there were no additional bidders for said service, and furnish the available proof for review by any owner who so requests it.

All judicial or extra judicial transactions exceeding five thousand dollars (\$5,000) shall obtain the approval of the Condominium Association. In commercial or professional condominiums, the Regulations may set forth another amount.

It shall be presumed that the President of the condominium has the authorization of the Condominium Association to appear in behalf of the same in the pertinent forums.

History

—June 25, 1958, No. 104, p. 243, added as § 38-E on Apr. 5, 2003, No. 103, § 30, eff. 90 days after Apr. 5, 2003; June 14, 2018, No. 111, § 2.

Section 38F. -Condominium Association—Secretary, powers and duties

The Secretary shall have the following duties and powers:

- (a) He shall prepare the calls to the meetings of the Council and shall notify the summons as provided in Section 38A of this Act.
- (b) He shall prepare the minutes of the meetings of the Council and enter them in the corresponding book.
- (c) He shall certify jointly with the Chairman the minutes of each meeting.
- (d) He shall issue, as they appear in the minute book, all the certificates which may be necessary with the approval of the Director or the Board of Directors.
- (e) He shall communicate to the absent co-owners all the resolutions adopted, in the manner provided herein for the notice of the calls to meetings of the Council and within the term provided by the bylaws.
- (f) He shall have custody of all the documents concerning the meetings of the Council and keep them at the disposal of the co-owners.

(g) All other functions and attributes which may logically fall within his jurisdiction, because of the nature of his office, and such others as may be assigned to him by the bylaws or the Council of Co-owners.

History

—June 25, 1958, No. 104, p. 243, added as § 38-E on June 4, 1976, No. 157, p. 461, § 8; renumbered as § 38-F on Apr. 5, 2003, No. 103, § 30, eff. 90 days after Apr. 5, 2003.

Section 38G. -Condominium Association—Trustee

In condominiums in which a Director or a Board of Directors cannot be elected for lack of persons able or willing to assume said positions, any unit owner may resort to the forum with jurisdiction to request the designation of a trustee to perform the duties of the Director or the Condominium Association. In the case of a condominium in which a unit intended for residential use does not exist, the court, or the Secretary of the Department of Consumer Affairs, upon designating a trustee, shall set forth the fees to be paid to the same, considering the type of condominium and the complexity of the directing tasks to be performed, and shall issue those orders necessary for the guarantee of the prompt election of a Director or Board of Directors. The trustee's fees shall be incorporated into the common expenses budget, and shall be defrayed by the unit owners as part of their maintenance fees. The term of the designation of the trustee shall be six (6) months. The Secretary of the Department of Consumer Affairs, or the Court, may relieve the Trustee of his/her duties at the request of any unit owner, or for just cause.

Culpable negligence in the performance of duties, dishonesty, or the breaching the codes of good conduct, among others, set forth in the Regulations of the condominium shall be understood as just cause.

The trustee shall render quarterly reports of his/her efforts to the unit owners, with copies thereof sent to the court or the Secretary of the Department of Consumer Affairs, as the case may be. Unless the forum with jurisdiction so authorizes, the trustee shall not also be an administrator.

History

—June 25, 1958, No. 104, p. 243, added as § 38-G on Apr. 5, 2003, No. 103, § 31, eff. 90 days after Apr. 5, 2003.

Section 39. -Contributions for payment of administration and maintenance expenses

Unit owners are legally bound to contribute proportionally to defray expenses for the administration, preservation, and repair of general common elements of the building, and as the case may be, of the limited common elements, as well as any other legally agreed-upon elements.

In the event that a condominium shares the use of access, security, recreational, educational, services or any other type of areas or facilities for its owners and residents with other condominiums, urbanizations, and/or projects or development areas, the Owner's Association of said condominium shall contribute to the expenses for the operation, maintenance, security, repairs, payment of utilities and services, insurance, and others related to such areas and facilities as provided therefor in the master deed of the condominium, or in those master covenants, equitable easements, or other documents constituting restrictive conditions and/or easements that are executed in connection with the different lands and/or projects on which such restrictive conditions, covenants, and/or easements are imposed

and/or on those that share said areas and/or facilities. Absent a provision to such effect in any of such documents, the manner to contribute to said expenses shall be determined pursuant to the applicable supplementary provisions of the Civil Code of Puerto Rico, as amended, including those on easements and community property, and/or by the equity and reasonability standards that are deemed pertinent. Unless the court or forum with jurisdiction so authorizes, no unit owners may refuse to make the payment of their contribution to such expenses by waiving the use and enjoyment of the common elements, nor by abandonment of the unit they own, nor due to having filed an administrative or legal claim against the Unit Owners Association or the Board of Directors regarding matters pertaining to the administration or maintenance of the common areas.

The proportional amount of the common expenses to be paid by each unit owner shall be calculated, set forth and imposed at the beginning of each calendar or fiscal year, and shall be due and payable in monthly installments. The regulations may set forth the collection of a penalty of ten percent (10%) of the amount owed if fifteen (15) days elapse from the established due date of the monthly payment. In the case of debts of the Commonwealth, the term shall be of one hundred twenty (120) days. In excess of said term, the penalty shall be of twelve percent (12%) of the total amount due. The Commonwealth of Puerto Rico shall be exempted from the payment of such penalty in the case of public housing projects. In addition, the fees that the unit owners do not pay within the term set forth for their payment shall accrue interest at the maximum legal rate. Default of three or more consecutive installments shall entail an additional penalty equal to one percent (1%) per month of the total amount due.

Unit owners in default shall be required to pay by mail, return receipt requested, and if payment is not made within fifteen (15) days, it may be sought by legal means.

Unit owner's debt for common expenses may be judicially claimed under the abbreviated procedure and up to the limit provided under Civil Procedure Rule 60, as amended.

When a debt is claimed by legal means, the court, at the plaintiff's request, shall decree an attachment order on the goods of the defaulter or defaulters, with no further requirement than the presentation by the President and the Secretary of the Condominium Association of a certification sworn in the presence of a notary public or any other official authorized to take sworn statements, stating the agreement that approved the collectible expense and its amount, as well as the steps taken for its collection referenced in the fourth foregoing paragraph. Once the attachment order is decreed, it shall be the duty of the Board of Directors to submit a certified copy of the order to the Registry of the Property for its inclusion in the record of the pertinent parcel.

When the plaintiff so requests, in those cases in which the unit owner in default has leased the apartment, the court may order the lessee to legally consign the total amount of lease fees [on] behalf of the Condominium Association, as they become due, until the total amount of the unit owner's debt is paid.

Those unit owners who owe three (3) or more consecutive maintenance fee installments, regardless of the number of apartments they own, shall temporarily be deprived from the exercise of their right to vote in Condominium Association meetings, including those matters that require unanimous consent. Their vote and their percentage of participation shall not count for purposes of quorum when this chapter requires such consent, until the unit owners' debt is paid in full, or the Treasurer certifies that

the unit owner is current in the payment plan approved by the Board of Directors prior to the assembly being discussed. In addition, the Board of Directors may order the suspension of drinking water, electricity, gas, and telephone utility services, as well as of intercom, video and data, and/or any other similar service when the same are supplied through the facilities that constitute general common elements of the real property. The suspension may also be ordered when the unit owner fails to pay his/her proportional part of the common insurance fees. No utility service shall be suspended on a Friday, Saturday, Sunday or holiday or the working day preceding a holiday without having been issued a written notice fifteen (15) days before such services are to be suspended, delivered by certified mail to the mailing address of the unit owner or in person to the apartment tenant.

The unit owner or occupant to whom any of the common services have been suspended, as set forth by this chapter, who without the authorization of the Board or the Administrator, by him/herself or through a third party, reconnects such services, or in any other manner illegally appropriates the common utilities of which the same has been deprived, shall incur a penalty equal to three (3) times the amounts owed, including the principal and interest, without prejudice to the civil, administrative, or criminal actions that may proceed.

History

—June 25, 1958, No. 104, p. 243, § 39; June 4, 1976, No. 157, p. 461, § 9; Dec. 13, 1994, No. 129, § 2; Aug. 11, 1995, No. 153, § 1; May 21, 1996, No. 43, §§ 1, 4; Apr. 5, 2003, No. 103, § 32; May 7, 2004, No. 110, § 1; Aug. 4, 2009, No. 50, § 1; Jan. 13, 2012, No. 17, § 6.

Section 40. -Preference of credits against co-owners for shares in expenses; exceptions

The credit against any co-owner for his share in the expenses to which Section 39 of this Act refers shall have preference over any other credits of whatever nature but the following:

- (a) Credits in favor of the Commonwealth and the corresponding municipality for the taxes of the last five annual assessments and the unpaid current one, overdue and unpaid on the apartment.
- (b) For two years premium on the insurance of the apartment, or of the whole property, as the case may be, and in the case of mutual insurance, for the last two dividends distributed.
- (c) Mortgage credits recorded in the Registry of Property.

History

—June 25, 1958, No. 104, p. 243, § 40; June 4, 1976, No. 157, p. 461, § 9.

Section 41. -Obligation of owner for common expenses, lien

The obligation for the proportional share of the common expenses of the owner of a unit shall constitute a lien on said unit, once the same is entered in the Property Registry. Therefore, after the first sale, the voluntary acquirer of a unit shall be jointly responsible with the transferor for the payment of the owed amounts, pursuant to Section 39 of this Act, until the time of the transfer, without prejudice to the right of the acquirer to recover from the other transferor those amounts paid as a joint debtor. However, an involuntary acquirer shall only be responsible for debts arising from common expenses that have not been satisfied during the six (6)-month period preceding the time of acquisition of the real property, as well as for any balance that may have accumulated from the acquisition of said property by the involuntary acquirer. For purposes of the above provisions, an involuntary acquirer shall be a

mortgage lender that acquires a real property when collecting a debt subject to this chapter; such balance shall be paid on monthly installments or within the term provided by the Homeowners' Council. The referenced obligation shall be demandable to anyone who is a unit owner of the property comprised by the unit, even when the same has not yet been segregated and inscribed as a filial parcel in the Registry of the Property, or transferred [on] behalf of any person.

Any financial institution that provides temporary financing to a person for the construction of apartments and common elements to be submitted to the horizontal property regime and becomes the owner of the property in a procedure of execution or transfer in payment shall not be considered as the developer, temporary administrator, or constituent of the regime, pursuant to the provisions in this chapter, if the financial institution does not exceed the usual duties of a creditor in the protection of its guarantee, pursuant to commercial practices adhered to by financial institutions that provide financial institution temporary construction financing.

History

—June 25, 1958, No. 104, p. 243, § 41; June 4, 1976, No. 157, p. 461, § 9; Aug. 11, 1995, No. 153, § 1; May 21, 1996, No. 43, § 5; Apr. 5, 2003, No. 103, § 33, eff. 90 days after Apr. 5, 2003; Aug. 5, 2016, No. 119, § 2.

Section 42. -Judicial decisions; challenge of decisions and determinations of Council, term

The agreements of the Condominium Association and the determinations, omissions, or actions of the Director or the Board of Directors, of the unit owner that submits the unit to the regime set forth by this chapter, during the term of administration considered in Section 36A of this Act, or of the President and Secretary concerning the administration of nonresidential buildings that do not have units intended for residential use, or of nonresidential unit owners in condominiums in which at least one unit intended for residential use exists, shall be challengeable in the Court of First Instance by any unit owner who deems that the agreement, determination, omission, or action in question is extremely prejudicial to him/herself or the community of unit owners, or is against the law, the constitution title, or the Regulations referenced in Section 37 of this Act. Challenges by owners of units intended for residential use shall be submitted before the Department of Consumer Affairs.

(a) The following procedure shall be observed in claims against the Administrator or the Board of Directors:

(1) In the annual assembly, the Condominium Association shall elect a Conciliations Committee comprised by three unit owners, one of which shall be selected from the members of Board of Directors, excluding the President.

(2) All unit owners who submit a claim before any pertinent court or forum to challenge any action or omission by the Board of Directors shall demonstrate having exhausted the following procedures:

(A) Having requested in writing the consideration of his/her claim before the Board of Directors and the same did not address the complaint within thirty (30) days from the return receipt requested of the claim. Said claim shall be submitted before the Board within thirty (30) days following the date in which the agreement or determination was made, if in his/her presence, or within the thirty (30) days following the date of receipt of the notification of the agreement or determination. If the action or

omission is prejudicial, the term for the submittal of the claim shall be the thirty (30) days following the date in which the unit owner obtains knowledge of said prejudicial action or omission.

(B) The Board may resolve the matter or submit same of its own accord to the Conciliations Committee, unless the unit owner required that his claim be sent directly to the consideration of said Committee. The Committee shall resolve the matter within thirty (30) days after receiving the unit owner's claim, and in any case, within a maximum term of sixty (60) days after the unit owner submits his/her claim to the Board.

(C) When submitting the claim, the unit owner shall certify that the claim was not addressed within the aforementioned terms, or that the solution proposed by the Board or the Conciliations Committee is extremely prejudicial to him/her.

The competent forum before which the claim is submitted may exempt the claimant from the previous requirement, if the nature of the case so warrants.

The challenge before the appropriate forum of those agreements and determinations deemed extremely prejudicial by the unit owner for him/herself or for the community of unit owners shall be exercised within thirty (30) days following the notification to the unit owner of an adverse decision by the Board or the Conciliations Committee, or within thirty (30) days since it is evident that the Board or the Conciliations Committee would not take any action regarding the unit owner's claim, or in any case, after ninety (90) days elapse from the date in which the claimant submitted the claim to the Board.

(b) The challenge before the court or forum with jurisdiction of the agreements approved by the Condominium Association shall not require the previous consideration procedure before the Board of Directors.

The challenge of the agreements and determinations deemed by the unit owner as extremely prejudicial for him/herself or the community of unit owners shall be exercised within thirty (30) days after the date in which said agreement or determination was made, if in his/her presence, or thirty (30) days after receipt of the notification of the agreement, if the affected unit owner was not present at the time said agreement or determination was made.

(c) The challenge of agreements, actions, or omissions by the Board of Directors of the Condominium Association, with the exception of those made by the unit owner who submits the property to the regime, which breach the provisions of this chapter, the master title, or the Regulations of the condominium shall prescribe after two (2) years of having notified the agreement, taken the action, or acknowledged the omission. For unit owners who challenge this type of agreement of the Condominium Association, the term shall be calculated from the date of the notification of same, if there is compliance with the requirements set forth in the next paragraph.

When exercising the challenge of agreements by the Condominium Association, the unit owner shall prove having been present or represented in the meeting in which the challenged agreement was made and that said unit owner did not vote in favor of the same. If the unit owner was absent in spite of having been duly notified, he/she shall prove that said absence was justified.

(d) For all types of challenge before the court or forum with jurisdiction, including matters that would have required unanimous consent of all unit owners, the claimant shall also prove to be up-to-date in the payment of all due debts with the Condominium Association, including approved apportionments. This requirement shall not apply when the action is geared toward challenging agreements pertaining to the establishment or alteration of fees or apportionments.

After hearing the parties in controversy, the court or forum with jurisdiction shall decide according to the law, fairness, and peaceful coexistence norms. The agreement, determination, omission or action shall be temporarily valid, unless otherwise determined by the court.

(e) The forum of instance in which the claims or actions submitted by the unit owners or the Condominium Association are considered shall impose the legal fees of the litigation or claim upon the party that proceeded with temerity, as well as the payment of a reasonable amount for the attorney's fees actually incurred by the party that obtained the requested remedy. The payment of the legal fees of the other party shall only be reprieved by means of a waiver by the winning party.

The unit owner who prevails in any claim shall be exempted from the payment of attorney's fees or legal expenses incurred by the Board or the Condominium Association, and the penalty that, in its case, might have been imposed upon the defendant party.

History

—June 25, 1958, No. 104, p. 243, § 42; June 4, 1976, No. 157, p. 461, § 9; Apr. 5, 2003, No. 103, § 34, eff. 90 days after Apr. 5, 2003.

Section 43. -Insuring building against risk; individual rights of owners

Unit owners, by means of agreement of those who represent the majority, may ensure the building against risks to cover general common, public, and limited areas, as well as other risks in behalf of all unit owners, without prejudice to the right of each to ensure their unit singly and in their own behalf. The unit owner who owns a particular insurance for his own unit, or who has paid his/her mortgage in full shall not be exempted from the payment of the proportional part of any common insurance adopted by the Condominium Association.

All unit owners may request the Board of Directors to examine the documents related to the common insurance policies. The Board of Directors may replace the insurance agent or broker, if the coverage and conditions of the new insurance policy remain the same, or have a broader scope and benefits, for the same or less cost than the insurance policy in force at the time of such change, upon the approval of the Condominium Association.

The Board shall be responsible for requesting the insurance broker to provide at least three (3) quotations for each annual renewal, and for keeping proof thereof for a minimum period of three (3) years, as well as proof of any insurance company's denial to furnish a quotation, if any. Such proof shall be available for examination by any of the owners who so request it.

History

—June 25, 1958, No. 104, p. 243, § 43; June 4, 1976, No. 157, p. 461, § 10; Apr. 5, 2003, No. 103, § 35, eff. 90 days after Apr. 5, 2003 ; June 14, 2018, No. 111, § 3.

Section 44. -Application of insurance indemnity to reconstruction; pro rata distribution in certain cases; application of Section 338 Civil Code; rules for reconstruction

In the event of a fire, the indemnization of the insurance of the building shall be used for the reconstruction of the same, with the exception of the matters set forth in Section 3 of Mortgage and Property Registry Act *[Repealed on 2015]*.

After receipt of the insurer's indemnization offer, the Board of Directors shall prepare a plan for the distribution of the reconstruction funds, detailing the specific amounts to be used in the reconstruction of each unit, pursuant to the appraisals made, and of the remaining common areas of the building. The report shall be circulated among the unit owners not less than fifteen (15) days in advance of the holding of an extraordinary assembly convened for the exclusive consideration of the offers submitted and the referenced report. The Condominium Association shall finally decide, by majority vote, all matters pertaining to the indemnization, including the acceptance of the amounts offered by the insurance companies and the priorities for the works to be performed.

If the Condominium Association decides to receive the total amount of the indemnization to distribute same afterwards among the unit owners, the monies shall be deposited in a special account, from which withdrawals may only be made with prior sworn certification by the Treasurer and the Secretary, stating the agreement in which the Condominium Association authorizes the withdrawal of funds, and if the same has not been challenged before any judicial or administrative forum.

The Condominium Association shall acquire a fidelity bond for the Director or the directors that shall respond for the unauthorized management of these funds.

When said reconstruction comprises the totality of the building or more than three quarter parts of the same, the reconstruction shall not be obligatory. In such a case, and except for the unanimous agreement of the unit owners otherwise, the indemnization shall be proportionally paid to the corresponding parties, and regarding the remaining parts of the building, it shall be done as set forth in Section 338 of the Civil Code *[Repealed 2015]*.

If the reconstruction proceeds, it shall be done as set forth for said hypothesis in the constitution title of the horizontal property, or otherwise, whatever is agreed upon by the Condominium Owner's Association.

History

—June 25, 1958, No. 104, p. 243, § 44; June 4, 1976, No. 157, p. 461, § 10; Aug. 11, 1995, No. 153, § 1; May 21, 1996, No. 43, § 1; Apr. 5, 2003, No. 103, § 36, eff. 90 days after Apr. 5, 2003.

Section 45. -Sharing of reconstruction costs when building not insured or insurance indemnity is insufficient; modification of section by unanimous resolution

When the property is not insured or the insurance indemnity is insufficient to cover the cost of reconstruction, the new building costs shall be paid by all the co-owners directly affected by the damage, in proportion to the percentage of their respective apartments; and if any one or more of those composing the minority shall refuse to make such payment, the majority may proceed to do so at the expense of all the co-owners benefited thereby, upon adopting the proper resolution, which shall set forth the circumstances of the case including the cost of the works, with the intervention of the Council of Co-owners.

The provisions of this section may be changed by unanimous resolution of the interested parties adopted subsequent to the date of the disaster.

History

—June 25, 1958, No. 104, p. 243, § 45; June 4, 1976, No. 157, p. 461, § 10; Aug. 11, 1995, No. 153, § 1; May 21, 1996, No. 43, § 1.

Section 46. -Mortgage and Property Registry Act and regulations as supplementary

The provisions of the Mortgage and Property Registry Act *[Repealed 2015]* and of the Regulations for the Execution of the Mortgage and Property Registry Act shall be deemed supplementary to this chapter.

History

—June 25, 1958, No. 104, p. 243, § 46, eff. 90 days after June 25, 1958.

Section 47 -Buildings covered by other laws; submission to horizontal property regime

The provisions set forth in Section 30 of the Civil Code *[Repealed on 2015]*, shall apply to those building in which the floors, at the time of effectiveness of this act, are constituted by virtue of the referenced legal precepts, as well as those buildings of not more than five apartments, whose unit owners wish to be subject to these precepts. However, the buildings referenced in the foregoing paragraph may be subjected to the regime set forth in this chapter with prior compliance with the requirements of Section 2 of this Act.

This chapter shall not be understood as a hindrance for the constitution of other joint property by floor regimes that may be set forth pursuant to other laws or norms.

History

—June 25, 1958, No. 104, p. 243, § 47; Apr. 5, 2003, No. 103, § 37, eff. 90 days after Apr. 5, 2003.

Section 48. -Adjudication of claims

A Special Division for the Adjudication of Condominium Claims of the Department of Consumer Affairs is hereby created to address all matters pertaining to all condominiums in which at least one apartment intended for residential use exists. Said Division shall have a Director named by the Secretary of the Department. The Secretary, subject to the provisions set forth in the Public Service Personnel Act, shall name the supervisors, inspectors, consultation officials, official examiners or administrative judges, public interest attorneys, and administrative personnel necessary for the prompt attention of claims submitted by unit owners pursuant to this chapter, or by the Board of Directors, pursuant to the applicable special laws.

The Secretary is hereby also empowered to adopt special regulations for the adjudication of the claims submitted to the Department, according to the provisions in this section, pursuant to the provisions set forth in Section 51 of this Act.

Without prejudice to the foregoing, all claims pertaining to the coverage or the terms and conditions of the insurance contract shall be referred to the Office of the Insurance Commissioner of Puerto Rico for

their consideration. The Commissioner is hereby empowered, if needed, to adopt a special Regulations for the adjudication of claims that arise under the horizontal property regime.

History

—June 25, 1958, No. 104, p. 243, added as § 48 on June 4, 1976, No. 157, p. 461, § 11; Apr. 5, 2003, No. 103, § 38, eff. 90 days after Apr. 5, 2003.

Section 49. -Powers of Secretary of Department of Consumer Affairs

The Secretary of the Department of Consumer Affairs is hereby empowered to issue regulations, pursuant to the procedures set forth the “Uniform Administrative Procedures Act”) *[Repealed 2017]* , geared toward:

(a) Requiring the registration of apartments in the Department of Consumer Affairs prior to their advertising, offering or sale.

(b) Guarantee that potential unit buyers are offered all necessary information to be able to make an intelligent decision to buy.

(c) Setting forth criteria for publicity and propaganda that ensure the announcement of precise and complete information that can be easily understood by the buyers.

(d) Set forth in behalf of lessees who have been living in a unit prior to the date in which same is submitted to the horizontal property regime the necessary rights to avoid eviction, rent increases, and being forcefully evicted without first having been offered a true opportunity to buy the unit in which they reside, or a reasonable term to vacate the premises.

(e) Set forth a reasonable term for the original seller of a unit that had been occupied prior to the date in which the unit is submitted to the horizontal property regime to respond for any construction vices or defects of the unit.

(f) Protect the interests of the buyers of apartments during the term of administration of the unit owner that submits the building to the horizontal property regime, pursuant to Section 36A of this Act.

These regulations shall apply to the sale of apartments intended for residential use that form part of a common promotion and sales plan of at least ten units, except for that issued pursuant to foregoing subsections (c) and (d), which shall apply to all sales of apartments intended for residential use. Said regulations shall not apply to sales pursuant to a court order, or sales carried out by a government or agency of the same.

History

—June 25, 1958, No. 104, p. 243, added as § 49 on June 4, 1976, No. 157, p. 461, § 11; Apr. 5, 2003, No. 103, § 39, eff. 90 days after Apr. 5, 2003.

Section 50. -Requests for registration of apartments, fees

All requests for the registration of apartments in the Department of Consumer Affairs shall be accompanied by a check payable to the Secretary of the Treasury in the amount of twenty-five dollars (\$25) per apartment whose registration is being requested. However, said amount shall never be less

than five hundred dollars (\$500), nor more than two thousand dollars (\$2,000). Thirty-five dollars (\$35) shall be paid per request of amendment to a registration application.

History

—June 25, 1958, No. 104, p. 243, added as § 50 on June 4, 1976, No. 157, p. 461, § 11; Apr. 5, 2003, No. 103, § 40, eff. 90 days after Apr. 5, 2003.

Section 51. -Adjudication of controversies; administrative fines; judicial review 1958

The Secretary of the Department of Consumer Affairs may use all the powers conferred by the “Organic Act of the Department of Consumer Affairs”, to adjudicate in controversies that arise under this chapter and to ensure that no one breaches the regulations or orders issued under this chapter, including the imposition of administrative fines up to a maximum of ten thousand dollars (\$10,000) per infraction. All Regulations, orders, or resolutions issued by the Secretary pursuant to this chapter may be judicially reconsidered and reviewed, pursuant to the provisions set forth in the “Uniform Administrative Procedures Act” *[Repealed 2017]*.

History

—June 25, 1958, No. 104, p. 243, added as § 51 on June 4, 1976, No. 157, p. 461, § 11; Apr. 5, 2003, No. 103, § 41, eff. 90 days after Apr. 5, 2003.

Section 52. -Special Fund, creation

There is hereby created in the Treasury of Puerto Rico a Special Fund into which shall be covered all the money collected pursuant to Sections 50 and 51 of this Act, which shall be at the disposal of the Secretary of the Department of Consumer Affairs for the purpose of executing the powers conferred on him by this chapter.

History

—June 25, 1958, No. 104, p. 243, added as § 52 on June 4, 1976, No. 157, p. 461, § 11.

Section 53. -Disaster and emergency plan

Condominiums submitted to the regime under this Act shall approve and maintain a disaster and emergency plan, which shall be revised at least every three (3) years. Said revision shall be conducted in consultation with the state, municipal, and federal entities concerned with the protection of life and property. In addition, the necessary measures shall be taken to share such plan with all owners in the most efficient manner possible and with sufficient time to be evaluated and understood. Such plan shall include the measures to be taken before, during, and after a disaster.

In January of each year, each condominium shall notify the name and telephone number of the members of the Board of Directors and the administrator to the appropriate Puerto Rico Police Station, Municipal Emergency Management and Disaster Office, and the Puerto Rico Fire Department so that these entities may keep a registry of the persons to be contacted during an emergency.

The Commonwealth Emergency Management and Disaster Administration Agency (AEMEAD, Spanish acronym), as well as Municipal Emergency Management and Disaster Offices shall be authorized to enter the condominiums submitted to the Horizontal Property Regime in order to distribute informative material about emergency and evacuation plans in case of natural disasters such as, but not limited to, hurricanes, earthquakes, seaquakes or tsunamis, fires, and floods. Condominiums shall grant access to

the authorities concerned and facilitate the delivery of this information to all owners. State and municipal authorities authorized to deliver informative material shall notify, as deemed appropriate, whether by regular mail, e-mail, or telephone, the Administrator, the President of the Condominium Association, owners, and primary and secondary coordinators, if they are not among those already informed of the date, time, and names of the state or municipal officials that shall be visiting the Condominium within at least seventy two (72) hours in advance. The Administrator and/or the President of the Condominium Association shall, in turn, be responsible for notifying all residents of the date when the authorized officials shall deliver the informative material. While the delivery of material is taking place, the officials that are visiting the condominium shall display at all times the official identification issued by the agency they represent.

Moreover, condominiums shall approve a water and electricity rationing plan to be implemented during disasters or when a rationing is decreed by the agencies concerned, in order to ensure that such resources are equitably distributed among all owners.

The Secretary of the Department of Consumer Affairs shall adopt regulations as are necessary to establish the rules to be observed by the individual owners and the Condominium Association during any crisis involving the water or electric power supplies.

Nevertheless, Condominium Associations are hereby empowered to adopt alternate contingency plans, upon prior approval by the Secretary of the Department of Consumer Affairs, when the implementation of the plan provided in the Regulations promulgated by said Department is burdensome or unreasonable due to the particular characteristics of the property.

History

—June 25, 1958, No. 104, p. 243, added as § 53 on Apr. 5, 2003, No. 103, § 42, eff. 90 days after Apr. 5, 2003, Oct. 27, 2014, No. 179, § 1.

Section 54. - Severability

The provisions in this Act are considered severable and the determination of a court with jurisdiction regarding any of its provisions as null shall not affect the remaining provisions in this Act.

History

—June 25, 1958, No. 104, p. 243, added as § 54 on Apr. 5, 2003, No. 103, § 43, eff. 90 days after Apr. 5, 2003.

Section 55. - Effectiveness

This Act shall take effect ninety (90) days after its approval.

Documents or references used to compile this Act:

- 1- [LPRA English version of the Condominiums Act 1958, Title 31 Subtitle 2 Part III Chapter 150](#)
(Lexis-Nexis is the official publisher of the Puerto Rico Annotated Laws, please be advised once a Law is repealed Lexis remove the text from LPRA so it's possible that when you press the link the text isn't there anymore) The Official English version is current to 2011 and has some translate laws after that. For this version, the PRCC use the official translation of the 2018 laws 111, 213, 218, and 302 and 2014 law 179 and adds the amended text to the correspondent sections.

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