

# MAINE STATE LEGISLATURE

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# 131st MAINE LEGISLATURE

## FIRST REGULAR SESSION-2023

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Legislative Document

No. 1289

S.P. 526

In Senate, March 23, 2023

**An Act to Facilitate Property Redevelopment and Encourage  
Affordable Housing by Allowing the Conveyance of Unfinished  
Commercial Condominium Units**

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Reference to the Joint Select Committee on Housing suggested and ordered printed.

A handwritten signature in black ink, appearing to read 'D M Grant'.

DAREK M. GRANT  
Secretary of the Senate

Presented by Senator POULIOT of Kennebec.  
Cosponsored by Representative CAMPBELL of Orrington.

1 **Be it enacted by the People of the State of Maine as follows:**

2 **Sec. 1. 33 MRSA §1602-101**, as amended by PL 2009, c. 261, Pt. B, §16, is further  
3 amended to read:

4 **§1602-101. Creation of condominium**

5 (a) A condominium may be created pursuant to this Act only by recording a declaration  
6 executed in the same manner as a deed, by all persons whose interests in the real estate will  
7 be conveyed to unit owners and by every lessor of a lease the expiration or termination of  
8 which will terminate the condominium or reduce its size. In the creation of a condominium,  
9 the declaration ~~shall~~ must be recorded in the same manner as a deed and plats and plans  
10 ~~shall~~ must be recorded in the same manner as plats and plans generally. All such  
11 documents, ~~shall~~ must be indexed in the name of the condominium and the parties thereto  
12 and may be included in such other indices as ~~shall~~ be determined by the Register of Deeds.

13 (b) ~~No~~ Except as provided in subsection (c), interest in any unit may not be conveyed  
14 to a purchaser until the unit is substantially completed as evidenced by a certificate or  
15 statement of substantial completion executed by an engineer or architect, or until a  
16 certificate of occupancy is issued by the municipal building official; except that this  
17 limitation does not apply to contracts, options or reservations for sale of units later to be so  
18 completed or to mortgages or transfers of units as security for an obligation, deeds in lieu  
19 of foreclosure, foreclosures and foreclosure sales, conveyances to successor declarants or  
20 to any person in the business of selling real estate for that person's own account, or to  
21 financial institutions.

22 (c) A condominium unit described in this subsection may be conveyed to a purchaser  
23 or transferee, whether or not the unit is constructed and whether or not the unit is completed,  
24 in accordance with this subsection. A condominium unit:

25 (1) To be used for nonresidential purposes may be conveyed by a declarant in any  
26 stage of completion to a purchaser or transferee. The purchaser or transferee and the  
27 declarant shall enter into a written agreement establishing the rights and responsibilities for  
28 completion of the unit and the common elements. The agreement must indicate whether  
29 the purchaser or transferee is treated as a successor declarant of the uncompleted unit;

30 (2) That includes land on which improvements will be constructed and become part of  
31 the unit may be conveyed to a purchaser or transferee. The purchaser or transferee is  
32 responsible for completing the improvements, even if the improvements will include an  
33 individual dwelling unit; and

34 (3) That contains multiple dwelling units that are to be held and maintained as a single  
35 condominium unit containing multiple dwelling units may be conveyed by a declarant in  
36 any stage of completion to a purchaser or transferee. The purchaser or transferee and the  
37 declarant shall enter into a written agreement establishing the rights and responsibilities for  
38 completion of the unit and the common elements. The agreement must indicate whether  
39 the purchaser or transferee is treated as a successor declarant of the uncompleted unit.

40 **SUMMARY**

41 This bill allows the conveyance of certain unfinished commercial condominium units  
42 to a purchaser or transferee for completion by the purchaser or transferee.