

Testimony of

Michael Zimmer

Before the Judiciary Committee

Friday, March 25, 2011

Personal Background: I am a unit owner and board member of The Meadows of Southington Condominium Association which is a 166 unit complex located in Southington, CT. I am currently serving as President of the association.

Testimony on H.B. 6620 AN ACT CONCERNING CONDOMINIUMS AND COMMON INTEREST OWNERSHIP COMMUNITIES

While I am not opposed to an oversight ombudsman for condominium associations, I am opposed to several sections of this bill for the following reasons:

Section 2 – D.1 & 2. – I am confused and concerned about the language in section 2.d.1 This section allows a commissioner the ability to override the rules of the condominium association and chapter 825 and 828 of the general statutes and charge any person found to having violated a rules or statutes to make restitution. Wouldn't a 3rd parties actions in the association be a civil or criminal matter? What obligation would a 3rd party have to attend mediation under this act?

Section 2-D-3 – It appears that the purpose of this act is to create a governing oversight body over boards of directors who are not properly executing their responsibilities. Yet the penalties imposed effect the entire association through penalties up to \$200 per violation that are collected and deposited by the state. This does not punish the alleged offender, it punishes all of the unit owners on that property. Would it make more sense for the association members to use their legal rights as unit owners to vote that person or persons out of that position?

Section 4 – regarding a filing to the Commissioner of Consumer Protection. The condominium association is already making a filing to the secretary of state. Why is necessary for the members of the association to also file a separate copy and pay an additional fee for documents that are already filed with a state office? Ultimate this becomes a tax on all associations regardless of past experience.

Section 7-A – regarding adoption of a proposed budget. As a home owner in a planned community I accepted the covenant which provided specific wording that allowed a majority of owners to decide on a budget. I do not believe it is fiscally responsible or in the best interests of the community for a budget to be accepted or rejected by the number of people that show up for a single meeting. We are lucky if

10% of home owners show up for an annual meeting, even though it is held on the same scheduled day each year and they receive special notice. Ultimately, if a hand full of people at one meeting decide that they do not want their fees to go up, they could force the association as a whole into bankruptcy. I wonder how financial institutions will view this law when considering mortgages for condominium associations.

In general it is not clear why the drafters of this document feel it is necessary to override the provisions already provided to home owners in common interest ownership communities through CIOA and the governing documents accepted by each unit owner at time of purchase.

**Testimony on H.B. 1208 AN ACT CONCERNING FINANCIAL REPORTING BY
CONDOMINIUM AND COMMON INTEREST COMMUNITY ASSOCIATIONS.**

While I am not opposed to an act concerning financial reporting for condominium associations, I am opposed to sections of this bill for the following reasons:

Section 1 (e). Making financial statements available to each unit owner online or via email by the 15th of each month. I believe a 15 day window creates an unnecessary burden both financially and physically Management companies and self managed associations. Under the provisions of CIOA association records are open and available to any unit owner of record so I feel duplicating these records and making them available monthly electronically along with the required security and disclosure is an unnecessary expense that should not be born by the association or their management company.

In general this bill appears on the surface to be redundant to the provisions already provided to unit owners through existing acts already passed in the state.

I will be happy to address any questions concerning this testimony, please do not hesitate to contact me.

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