

Testimony of
Kim McClain

Before the Judiciary Committee
Thursday, March 29, 2012
10:00 a.m.

**H.B. 5511 AN ACT CONCERNING THE BUDGET, SPECIAL ASSESSMENT
AND ASSIGNMENT OF FUTURE INCOME APPROVAL PROCESS IN
COMMON INTEREST OWNERSHIP COMMUNITIES.**

Kim McClain

I currently serve as the Executive of the Connecticut Chapter of the Community Associations Institute (CAI-CT). CAI-CT is the educational and technical assistance entity for community associations and their service providers in Connecticut. We are one of 58 chapters of a National organization. Through this alliance we are able to provide up-to-the-minute information on the issues and trends affecting associations, programs to enable community association managers to obtain professional credentials and access to hundreds of publications which provide tools to assist association members in their operations.

Background

We wish to note that in its current form, we do not support HB 5511. However, we have been working with Rep. O'Neill to refine the bill so that we can continue to support greater transparency in the operations of common interest communities.

CAI-CT works diligently to protect the rights and foster the responsibilities of all of our members. Through our programs, website and magazine, we foster *Best Practices* for associations throughout the State.

It was implied in the testimony of a proponent of HB 5511 that Connecticut 'lags behind other states in terms of regulation and protection for owners.' It is important to note that the contrary is true. Indeed, Connecticut is well ahead of most states in our country. Connecticut is one of the few states that have modernized its legal infrastructure to account for common interest ownership communities.

Thanks to the leadership of the Judiciary Committee, Connecticut was the first state in the nation to adopt the recent revisions to UCIOA in 2009. We are very proud of the fact that Connecticut has demonstrated such a high level of commitment by promoting laws which protect community associations.

For your reference, only CT, VT and DE have adopted versions of the most recent Common Interest Ownership Act. AK, NV, CO, WV have adopted earlier versions of the Act.

These states have adopted the Uniform Condominium Act which predates UCIOA: WA, NM, TX, MN, NE, MO, AL, KY, WV, VA, PA and ME.

Source: Uniform Law Commission

Only three states have ombudsman programs: FL, VA, and NV. These programs have not achieved their goals and have actually made it harder for residents to resolve disputes. In fact, the Nevada Common Ownership Commission noted in 2011 that 90% of disputes filed under the ombudsman program were unfounded.

In light of the statistics provided by the Nevada Ombudsman program, as well as our analysis of the complaints filed with the Attorney General's office over a three year period from 2007-2010, it is clear that although many of the complaints filed appeared legitimate, a large majority were unsubstantiated.

It is also important to note that a significant number of complaints submitted to the Attorney General's office during that same time period dealt with financial concerns, e.g. the association dues were increasing. Often, in the same letter, great pains were taken to describe the deteriorating condition of the property. Obviously, if dues are kept low for extended periods of time, maintenance and capital improvements will suffer.

It is our belief that the CIOA revisions which went into effect in July of 2010 have had only a short period of time to be fully implemented and evaluated. Prior to 2010, unit owners had no direct involvement in the budget ratification process, now they have an opportunity to have their voices count. We are concerned that if a vocal minority of unit owners could have the ability to reject a budget, associations would be hard-pressed to be able to support necessary maintenance and long-term projects.

We look forward to continuing to work with Rep. O'Neill on refining the details of this bill so that it can better reflect the needs and concerns of all associations in our state.

We would be happy to further discuss with you this issue, or any others affecting common interest communities in Connecticut. Please do not hesitate to contact us with any questions or concerns. I can be reached at 860-633-5692 or email: caictkmclain@sbcglobal.net.

Thank you for your consideration.

Respectfully submitted,

Kim McClain