



OLR RESEARCH REPORT

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CONDOMINIUM FINES AND ASSESSMENTS

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You asked if the law (1) limits the late fees or fines that common interest communities may charge unit owners or (2) otherwise restricts how common interest communities can address an owner's failure to pay assessments.

Under the Common Interest Ownership Act (CIOA), the association of a common interest community (e.g., a condominium) can impose fines for violations of the association's declaration, bylaws, rules, and regulations. Such fines must be reasonable, and cannot be imposed unless the person has been notified and given an opportunity to be heard (CGS § [47-244\(a\)](#)).

CIOA also allows associations to impose charges, interest, or both for late payment of assessments. The maximum allowable interest is 18% (CGS §§ [47-244\(a\)](#) and [-257\(b\)](#)).

CIOA restricts the other actions that associations can take when a unit owner fails to pay a required assessment. CIOA allows associations to suspend certain rights or privileges of a unit owner who fails to pay an assessment. But associations are prohibited from:

1. denying a unit owner or other occupant access to the owner's unit or its limited common elements;

2. suspending a unit owner's right to vote or participate in association meetings;
3. preventing a unit owner from seeking election as a director or officer; or
4. withholding services the association provides to a unit or a unit owner if doing so would endanger anyone's health, safety, or property (CGS § [47-244\(a\)](#)).

Under CIOA, an association has a statutory lien on a unit for any assessment attributable to that unit or fines imposed against its unit owner. Unless the declaration provides otherwise, it also has a lien on specified other sums the owner owes the association (e.g., fines, late charges, or interest).

The association can foreclose on the lien in a similar manner as a mortgage on real property. But an association cannot bring an action to foreclose a lien on a unit unless the:

1. unit owner, when the action is commenced, owes a sum equal to at least two months of common expense assessments based on the association's last adopted periodic budget;
2. association has made a demand for payment in a record; and
3. executive board has either voted to bring a foreclosure action specifically against that unit or adopted a standard policy that provides for foreclosure against that unit.

Generally, an action to foreclose such a lien must be brought within three years after the full amount of the assessment became due (CGS § [47-258](#)).

CIOA generally requires the association, before bringing an action or instituting a proceeding against a unit owner other than a declarant (developer), to schedule a hearing during a regular or special executive board meeting. The law specifies notice requirements and allows the unit owner to give oral and written testimony. The law exempts from this hearing requirement an action brought by an association against a unit owner to (1) prevent immediate and irreparable harm or (2) foreclose a lien for an assessment attributable to a unit or related fines imposed against a unit owner (CGS § [47-278](#)) (2012 Supp.).