



Working together to inform, educate, support, and advocate for the rights of condominium owners statewide.

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S.B. 1145

AN ACT CONCERNING THE BUDGET AND SPECIAL ASSESSMENT APPROVAL PROCESS IN COMMON INTEREST COMMUNITIES.

The Connecticut Condo Owners Coalition is a membership based organization requiring no membership fee. Our membership is primarily condominium unit owners. Many individuals have enrolled to receive updates posted on our website [CTCondoNews] while a primary objective for others is to enlist the support of the CCOC Investigative Committee in resolving issues between themselves and a Board of Directors or Property Manager.

OPPOSED TO

(NEW) (c) An association's board of directors, as defined in section 47-68a, or executive board, as defined in section 47-202, shall ensure that any community association manager under contract to provide association management services to an association provides such services in full compliance with the association's bylaws, as well as the provisions of chapters 825 and 828, as applicable.

The proposed bill is well intentioned, but making an Association's Board of Directors or Executive Committee responsible for a Community Association Property Manager's compliance with CIOA would defeat the purpose of the bill.

The objective of the proposal is to finally put some teeth behind CIOA. A Board of Directors or Executive Board is expected to comply with this legislation. However, there is no mandate in the statutes holding Community Association Managers accountable to follow and comply with CIOA.

The CT Department of Consumer Protection is currently responsible for the licensing/certification of Community Association Managers and, ultimately, the revocation, suspension, or censure for financial misdeeds such as theft, extortion, forgery, fraud commingling of funds to name a few.

In instances involving financial mismanagement, resolution could be a recommendation for law enforcement action and in instances involving unethical conduct, the resolution could be a recommendation to court as a civil matter.

As the certifying authority, the State should oversee and ensure that Community Association Managers comply with all legislation pertaining to condominium management as it currently does with others who are licensed and provide a service.

The Connecticut Condo Owners Coalition Executive Committee provides information about condo issues with the understanding that it is not rendering legal or other professional services. CCOC makes no warranties, expressed or implied, about the accuracy or completeness of information. In an effort to respond to owners' queries, we will always give our best and impartial advice based on the information provided. However, it is the owner's responsibility to contact corporate legal counsel or an attorney of his/her choosing to obtain legal advice.

Currently it is presumed that a Board of Directors delegates tasks to a property manager but does and cannot delegate responsibility. However, ask Board Members these questions who have contracted with a property manager for their complex:

1. Does a Board review each meeting notice or cancellation and/or rescheduled meeting notice for a monthly meeting?
 - a. **Most likely not**, then what does a Board do when a property manager sends a cancellation notice 2 days after the regularly scheduled meeting and only after unit owners came to a meeting room to find no one there?
2. Does a Board review the resale packet prepared by a manager prior to it being submitted
 - a. **Most likely not**. But the responsibility does fall to the Board.
3. Does a Board review governing covenants prior to these being submitted with the resale packet?
 - a. **Most likely not**, since many property managers use companies as far away as California and are exceeding the statutory fee not for printing hard copies but for what is termed, disclosure package, a convenience fee, a delivery fee. [documents are sent on a CD and owner has to print the 80 plus pages or be charged as high as 25 cents per page for a company to print & mail]
4. Does a Board review documents for their complex posted on the website used by the property manager?
 - a. **Most likely not**. Example: financial reports of Association 'A' posted on website for Association "B".

Property managers come to the interview table touting their certification, training, education, and their ability to provide services to manage a condominium complex.

Therefore begging the question, "why should an Association Board or Executive Board be responsible to ensure property manager compliance with CT statutes? Property managers practicing in the State of Connecticut should be knowledgeable and comply with all governing covenants of an Association, standards and practices as may be established from time to time by an Association subject to all federal, state and local laws, ordinances, and regulations in effect where the Manager practices.

On a cautionary note, one caveat: property managers, if mandated to comply with CIOA should be exempt from Section 47-278 thereby having no litigation rights under CIOA. A major concern is the threat of the law suit and the possibility that a management company may prevail that is the issue. One uninsured law suit could do serious damage to a small association.



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IN FAVOR OF

Sec. 2. Subdivision (5) of subsection (b) of section 47-250 of the general statutes is repealed and the following is substituted in lieu thereof (Effective October 1, 2013):

(5) Unless [the meeting is included in a schedule given to the unit owners or the] a meeting is called to deal with an emergency, the secretary or other officer specified in the bylaws shall give notice of each executive board meeting to each board member and to the unit owners. The notice shall be given at least five days before the meeting and shall state the time, date, place and agenda of the meeting, except that notice of a meeting called to adopt, amend or repeal a rule shall be given in accordance with subsection (a) of section 47-261b

IN FAVOR OF WITH EXCEPTION

Sec. 3. Subsection (c) of section 47-252 of the general statutes is repealed and the following is substituted in lieu thereof (Effective October 1, 2013):

2) The association shall provide a proxy form to any unit owner who seeks to vote pursuant to a directed or undirected proxy;

(3) If a vote is taken by ballot, any ballot cast by a directed or undirected proxy holder shall not include the name of the proxy holder;

CCOC is unsure of the intent of the above. A proxy form must be provided to all unit owners when notified of a meeting that will be calling for unit owner voting.

The proxy form whether sent by management or a board shall not name the holder of the proxy.

Currently, CIOA does not address how owner receive a form of proxy thereby leaving the drafting of this document to a unit owner who then must ensure he/she drafts a form that satisfies the minimum requirements of Connecticut law or face the possibility of their proxy being invalid and their vote not counted.

IN FAVOR OF

Sec. 4. Subdivision (1) of subsection (a) of section 47-260 of the general statutes is repealed and the following is substituted in lieu thereof (Effective October 1, 2013):

(1) Detailed records of receipts and expenditures affecting the operation and administration of the association and other appropriate accounting records, including, but not limited to, records relating to reserve accounts;

This will ensure that unit owners are provided with all financial records including business checking, savings accounts, and restricted and non-restricted reserve accounts.



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CCOC has received queries from unit owners that they are not provided with financial information relating to transfers between checking, savings and reserve accounts.

CCOC is aware of the complexities of existing legislation and the efforts of legislators to correct and/or modify law for the betterment of condominium communities.

The 2009 CIOA amendments were enacted to ensure condominium and cooperative associations were more transparent and its intent was to significantly change how the communities and their associations are managed. The new measures included many changes regarding meeting procedures and other issues intended to protect the interests of unit owners in these complexes.

The catchphrase in 2009 was "transparency". The Connecticut Common Interest Ownership Act is to promote transparency in Association governance. While some positives came from the 2009 legislation, like anything else, it is a work in progress.

Gail Egan, President
Connecticut Condo Owners Coalition

March 25, 2013