

# CONNECTICUT GENERAL ASSEMBLY

Monday, March 25, 2013

TESTIMONY OF J. Terry Sullivan  
TO THE JUDICIARY COMMITTEE  
ON PROPOSED HOUSE BILL 6513 "AN ACT CONCERNING THE BUDGET AND SPECIAL  
ASSESSMENT APPROVAL PROCESS IN COMMON INTEREST COMMUNITIES"  
and  
SB 1103 "AN ACT CONCERNING THE APPROVAL PROCESS FOR ASSIGNMENTS OF FUTURE  
INCOME IN COMMON INTEREST COMMUNITIES."

Senator Coleman, Representative Fox, Senator Doyle, Representative Ritter, Senator Kissell, Representative Rebimbas, and Representative O'Neill:

My name is Terry Sullivan. I am a resident of Heritage Village in Southbury. I am a board member for my condominium and a trustee to the Heritage Village Master Association and Foundation. I serve on several committees in Heritage Village and I am the co-chair of the Long Range Planning Committee. I also represent Heritage Village on the CAI Legislative Action Committee.

I am opposed to HB 6513. Section 47-261e of the Community Association Ownership Act (CIOA) has been effect statewide since 1984. It was enacted to protect unit owners' rights. It gave unit owners the right to vote on the approved budget, and it intentionally made it so that budgets could not be rejected furiously; however, it did not include common interest communities established before 1984. Heritage Village being the oldest and largest condominium community did not come under Chapter 828, but continued operating under Chapter 825 of the Connecticut General Statutes.

Prior to 2009 when CIOA was updated, Heritage Village unit owners never had the mandate to directly vote on the yearly operating budget. With the update to CIOA that went into effect in 2010 unit owners were given for the first time the mandate to vote on the budget. They could now reject any budget that a majority of unit owners felt did not meet their needs. This is the current law in effect today.

You will hear from those who support HB 6513 that in 2011 Heritage Village owners voted 1192 to 594 to reject the budget but the budget still passed. That is correct. In Heritage Village there are 2580 owners eligible to vote, a majority is 1291. The current law prevented a 46% minority from rejecting the approved budget. CIOA 47-261e works.

HB 6513 is an attempt to do exactly what 47-261e was created to protect owners from: It will allow a minority of unit owner to reject an approved budget. We can discuss wording that changes reject to approve, and whether a vote to reject is a "yes vote" or "a no vote," but when all the verbiage and legalese is stripped away; all the claims of fairness and democracy; assertions that non-returned ballots count as "yes" votes—of course, we're not sure if a "yes" vote really is a vote "to reject" or not—when all of the claims by either side are set aside, this bill does one thing and one thing only: IT ALLOWS ONE-THIRD OF THE UNIT OWNERS TO REJECT AN APPROVED BUDGET if they are in the majority.

For this reason I am opposed to HB 6513. One-third of the unit owners is a minority of unit owners no matter how you slice it, and that is too small a number to reject an approved

budget. I ask **you** to reject this bill now. It is not good for the future of my condo unit; it is not good for Heritage Village as a whole; it is not good for property values in the Town of Southbury; and above all it is not good for any town that contains common interest communities in the State of Connecticut.

HB 1103 seems to give to condominium associations what HB 6513 is attempting to take away. HB 1103 would make it more likely that if an association would seek a loan on the basis of future income (those are the association fees that result from the budget voted on in HB 6513) it would be more likely to pass. I don't understand why it is being introduced again. This is the major reason why HB 5511 from last year was vetoed by Governor Malloy. I'm not an expert, but I believe that he might still feel the same way.

Thank you. I will gladly answer any questions you might have.