
OLR Bill Analysis

HB 6477 (as amended by House "A")*

AN ACT CONCERNING THE STATUTORY LIEN FOR ASSESSMENTS ON A CONDOMINIUM UNIT.

SUMMARY:

This bill makes several changes affecting condominiums and other common interest communities.

It provides that community association managers are subject to disciplinary action for knowing and material violations of the Common Interest Ownership Act (CIOA) or Condominium Act (§ 1) (see BACKGROUND).

The bill exempts board members or association officers under CIOA and the Condominium Act from criminal liability, under certain circumstances, for alleged violations of the state building or fire safety code or a municipal health, housing, or safety code. The criminal immunity applies when the board proposes a special assessment to cover the cost of repairs needed to ensure compliance with the codes and the unit owners vote to reject the assessment (§§ 5-6). (It appears that for communities governed by CIOA, the immunity only applies if the special assessment is proposed in accordance with the law's procedural requirements for such assessments).

CIOA generally allows executive boards to provide board members and unit owners a schedule of board meetings instead of providing specific notice in advance of each meeting. Under the bill, if the board provides unit owners with such a meeting schedule, the secretary or other officer specified in the bylaws must make an agenda available to board members and unit owners, no later than 48 hours before the meeting (§ 2).

CIOA currently sets certain conditions for proxy voting. The bill specifically allows associations to provide proxy forms to unit owners

seeking to vote pursuant to a directed or undirected proxy. (A directed proxy specifies how the vote is to be cast, while an undirected proxy allows the person who is given the proxy to decide how to vote.) The proxy forms must include a blank space for the insertion of the proxy holder's name. The bill also allows the forms to include the name of a person the association designates to be the default proxy holder. Such a person is authorized to exercise the proxy if the unit owner does not specify the name of the proxy holder subject to the limitations set forth for proxy voting under CIOA and the bill (§ 3).

Under CIOA, associations must keep detailed records of receipts and expenditures affecting their operation and administration and other appropriate accounting records. The bill specifies that this includes records relating to any reserve accounts (§ 4).

EFFECTIVE DATE: October 1, 2013

*House Amendment "A" replaces the underlying bill, which extended from six to 12 months the priority of common expense assessments over previously recorded mortgages under CIOA.

§ 1 – COMMUNITY ASSOCIATION MANAGERS

By law, community association managers must register with the Department of Consumer Protection (DCP). The bill adds to the grounds upon which DCP's Real Estate Commission can take disciplinary actions against community association managers by allowing such actions due to knowing or material violations of any provision of CIOA or the Condominium Act.

By law, the disciplinary actions that the commission can take include (1) revoking, suspending, or refusing to issue or renew a community association manager's registration certificate; (2) placing a registrant on probation; or (3) issuing a letter of reprimand. The commission can revoke or suspend a registration certificate only after notice and a hearing in accordance with the Uniform Administrative Procedure Act.

BACKGROUND

Common Interest Ownership Act (CIOA) and Condominium Act

CIOA governs the creation, alteration, management, termination, and sale of condominiums and other common interest communities formed in Connecticut on and after January 1, 1984 (CGS § 47-200 et seq.). Certain CIOA provisions also apply to common interest communities created in Connecticut before January 1, 1984, but do not invalidate existing provisions of the communities' governing instruments. Common interest communities created before then can amend their governing instruments to conform to portions of CIOA that do not automatically apply (CGS §§ 47-214, -216, -218).

The Condominium Act (CGS §§ 47-68a to 47-90c) governs condominiums created from 1977 through 1983, except when CIOA applies.

Related Bill

sSB 1145 (File 842) contains provisions on similar topics. For example, it (1) exempts board members or officers under CIOA and the Condominium Act from criminal liability for any conduct they perform on the association's behalf, as long as the conduct is within the scope of their authority and (2) generally requires executive boards under CIOA to give board members and unit owners notice with specified information at least five days before each board meeting.

COMMITTEE ACTION

Insurance and Real Estate Committee

Joint Favorable
Yea 18 Nay 0 (03/14/2013)

Judiciary Committee

Joint Favorable
Yea 31 Nay 0 (05/29/2013)