
OLR Bill Analysis

sSB 1145

AN ACT CONCERNING REVISIONS TO THE COMMON INTEREST OWNERSHIP ACT AND THE CONDOMINIUM ACT.

SUMMARY:

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

It requires executive boards under the Common Interest Ownership Act (CIOA), and boards of directors under the Condominium Act, to ensure that community association managers under contract with them for association management services provide such services in full compliance with (1) the association's bylaws and (2) CIOA or the Condominium Act as applicable (see BACKGROUND) (§ 1). The bill does not specify how boards must do so.

The bill 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 (§§ 6-7).

The bill eliminates the requirement under CIOA that the association's insurance policy provides primary coverage if, at the time of loss, the unit owner has his or her own policy covering the same risk (§ 5). In doing so, it is unclear which policy would be primary in practice under the bill.

The bill 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. Under current law, boards can provide them with a schedule of board meetings instead of providing specific notice in advance of each meeting (§ 2).

Under the bill, the secretary or other officer specified in the bylaws

must provide the notice at least five days before each board meeting specifying the meeting's time, date, place, and agenda. By law, (1) different requirements apply for meetings called to adopt, amend, or repeal a rule (e.g., the notice must be given at least 10 days in advance) and (2) these notice requirements do not apply to meetings called to deal with an emergency.

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.) It also prohibits associations from providing proxies that include the proxy holder's name, unless the unit owner requests the name to be on the proxy (§ 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 reserve accounts (§ 4).

EFFECTIVE DATE: October 1, 2013

BACKGROUND

Common Interest Ownership Act (CIOA) and the 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 provisions of CIOA (including the CIOA provisions that this bill amends, see §§ 2-6) 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 to them.

Related Bills

The Judiciary Committee reported favorably three other bills making amendments to CIOA. SB 1103 changes approval requirements for assignments of the right to future income as security for loan agreements. sHB 6513 changes requirements for approval of annual budgets and special assessments. HB 6662 extends from six to nine months the priority of common expense assessments over previously recorded mortgages and makes other changes affecting the priority lien.

sHB 6477 (File 219), reported favorably by the Insurance and Real Estate Committee, extends from six to 12 months the priority of common expense assessments over previously recorded mortgages under CIOA.

COMMITTEE ACTION

Judiciary Committee

Joint Favorable Substitute

Yea 44 Nay 0 (04/19/2013)