



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

**CONNECTICUT GENERAL ASSEMBLY
Monday , March 24, 2014**

**TESTIMONY OF Gail A. Egan
TO THE JUDICIARY COMMITTEE
ON PROPOSED SENATE BILL 457,
"AN ACT CONCERNING REVISIONS TO THE
COMMON INTEREST OWNERSHIP ACT".**

I currently serve as President of the Connecticut Condo Owners Coalition (CCOC). The Connecticut Condo Owners Coalition (CCOC), is an organization, comprised of a volunteer Executive & Advisory Board. We currently have approximately 1,000 members, CCOC does not assess any enrollment or membership fees, and our prime objective is to advocate for the rights of condominium owners statewide.

CCOC supports SB457 other than Section 2 Voting Thresholds [Subsection (b) of section 47-252]

**Section 1. Recording of Board of Director Votes
Subsection (b) of section 47-250**

The bill requires that at an executive board meeting, any final vote be taken by roll-call vote and the results be recorded to show how each board member voted. It also requires that the voting record shall thereafter be included in the minutes of the meeting.

CCOC STRONGLY SUPPORTS THIS PROVISION.

It will allow unit owners to be more informed on how individual board members have voted and will assist them in deciding whether to support board members who come up for reelection

**Sec. 3. RESALE CERTIFICATES
Subsection (a) of section 47-270**

Current law requires that a resale certificate containing certain information be provided to condominium unit purchasers so that they might be better informed about what they are purchasing.



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The bill requires that resale certificates also include a statement of whether the association audits its financial records and if so, indicate the date on which they were most recently audited and the name and professional credits of the auditor.

CCOC STRONGLY SUPPORTS THIS PROVISION.

It will give information to purchasers as to whether the Association's financials undergo an independent audit performed by a licensed CPA.

CCOC is mindful of the countervailing argument that this may result in additional costs for associations never having conducted a professional audit of their financial information, but believe the costs are justified in terms of greater protections for unit owners and greater disclosure for purchasers. Ultimately, it is still the decision of an association if they decide to conduct an independent audit, but this information, through this bill will be disclosed to prospective owners.

Sec. 4. INCREASED FINES FOR WORKING WITHOUT A LICENSE

Subsection (b) of section 20-457

The bill increases the maximum civil fine the Department of Consumer Protection can impose for managing a common interest community without a license from \$500 to \$1,000.

CCOC STRONGLY SUPPORTS THIS PROVISION

Current fine is now \$500 but under many circumstances, DCP may impose a \$250 fine as they have the authority to do or no fine depending on the circumstances. An increase in this fine would still be monitored by DCP but is more than a 'slap on the hand' for those individuals not registered/never registered but conducting business as a CAM.

Sec. 5. TECHNICAL CORRECTION

Subsection (a) of section 47-224

Section 5 makes a technical correction.

Sec. 6. REGULATION OF PRIVATE TRANSFER FEES

Subsection (a) of section 47-17a

This section makes the Act Concerning the Regulation of Private Transfer Fee apply to common interest communities created prior to January 1, 1984.

CCOC SUPPORTS THIS PROVISION.



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Sec. 2. VOTING THRESHOLDS

Subsection (b) of section 47-252

Under current law, a majority vote prevails in unit owner voting unless state law or the declaration requires a higher threshold. The bill also allows bylaws to establish a higher threshold for unit owner votes. Since boards of directors can amend bylaws this bill gives boards a power that only unit owners currently possess.

CCOC RESPECTFULLY OPPOSES THIS PROVISION

It is unnecessary and shifts power from the association as a whole to boards. If boards believe voting thresholds should be raised they can take this matter to the unit owners for their consideration at a regular or special unit owners meeting.

If I or members of CCOC's Executive and/or Advisory Boards can furnish the Committee with additional information or assistance, please do not hesitate to contact me.

Respectfully submitted,

A handwritten signature in blue ink that reads "Gail A. Egan" with a long horizontal flourish extending to the right.

Gail A. Egan, President
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