

**TESTIMONY IN SUPPORT OF RAISED BILL NO. 6988 - AN ACT
CONCERNING THE TERMINATION AND DISSOLUTION
OF A MASTER ASSOCIATION**

March 25, 2015

Good afternoon Senator Coleman, Representative Tong, Senator Doyle, Representative Fox, Senator Kissel, Representative Rebimbas and members of the Judiciary Committee. Thank you for the opportunity to provide testimony on behalf of Imagineers, LLC (“Imagineers”).

I am Karl Kuegler, Jr. of Imagineers, LLC where I serve as the Director of Property Management for our common interest community management division. From our offices located in Hartford and Seymour, we serve about 200 Connecticut common interest communities comprising about 18,000 homes. Imagineers is registered with the Department of Consumer Protection as a Community Association Manager holding registration number 0001 and has been serving Connecticut common interest communities for 34 years. I have over 25 years of experience in common interest community management and hold designations as a Certified Manager of Community Associations and as an Association Management Specialist from the National Board of Certification for Community Association Managers. Imagineers is a member of the Connecticut Chapter of Community Associations Institute. I serve on the organization’s Legislative Action Committee as its vice chair and chair the organization’s annual state educational conference.

Imagineers is in favor of Raised Bill No. 6988. We believe this change to Section 1 of Section 47-239a will help better define the legislation approved by the legislature in the 2014 legislative session and will help make sure that it does not have any unintended consequences to communities for which it was not intended. The hope would be that, in the near future, the entire section would no longer be necessary; in the interim, it is important to ensure that the law does not adversely impact master associations greater than 600 units.

Imagineers further shares the opinion of the Legislative Action Committee of the Connecticut chapter of the Community Associations Institute that the following additional revisions should be made to the Common Interest Ownership Act. These proposals have been discussed and agreed upon with the Connecticut Condo Owners Coalition. The changes are:

Section 2. Subsection b(3) of section 47-250 of the general statutes is repealed and the following is substituted in lieu thereof (Effective October 1, 2015):

(3) Notwithstanding any actions taken by **[unanimous consent]** not less than two-thirds consent of the entire executive board pursuant to subdivision (8) or (9) of this section, during and after the period of declarant control, the executive board shall meet at least two times a year at the common interest community or at a place convenient to the community. Those meetings, and after termination of the

period of declarant control, all executive board meetings, shall be at the common interest community or at a place convenient to the community unless the bylaws are amended to vary the location of those meetings.

Section 3. Subsection b(9) of section 47-250 of the general statutes is repealed and the following is substituted in lieu thereof (Effective October 1, 2015):

(9) Instead of meeting, the executive board may act by [unanimous consent] not less than two-thirds consent of all executive board members as documented in a record authenticated by [all] its members, noting the consent or non-consent of each executive board member. The secretary promptly shall give notice to all unit owners of any action taken by [unanimous consent] not less than two-thirds consent of all executive board members.

Statement of Purpose:

To enable executive boards to better function for the benefit of all of the members of the common interest community.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated in underline]

Be it enacted by the Senate and the House of Representatives in General Assembly convened:

Section 4. Subsection (e) of section 47-261e(e) of the general statutes is repealed and the following is substituted in lieu thereof (Effective October 1, 2015):

(e) [Unless prohibited or otherwise limited in the declaration] Notwithstanding any provision in the declaration or bylaws to the contrary, if the executive board proposes to enter into a loan agreement on behalf of the association and to assign its right to future income as security for such loan pursuant to subdivision (14) of subsection (a) of section 47-244, then, in addition to satisfying the requirements of subsection (d) of this section, [unit owners of units to which at least a majority of the votes in the association are allocated, or any larger percentage or fraction stated in the declaration, must vote [in favor of or agree to such assignment.] the executive board shall provide to all unit owners notice of its intent to assign its right to future income as security for a loan. Simultaneously, the board shall set a date not less than ten days or more than sixty days after providing said notice for either a meeting of the unit owners or a vote by ballot without a meeting to consider approval of the assignment of its right to future income as security for such loan. If, at that meeting or in the vote by ballot, a majority of all unit owners or any larger number specified in the declaration votes to reject the assignment of future income as security for such loan, the assignment shall be rejected. If, at that meeting or in the vote by ballot, a majority of all unit owners or any larger number specified in the declaration does not vote to reject the assignment, the assignment shall be approved. The absence of a quorum at such meeting or

participating in the vote by ballot shall not affect rejection or approval of the assignment.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated in underline]

Be it enacted by the Senate and the House of Representatives in General Assembly convened:

Section 5. Subsection (e) of section 47-261(e) of the general statutes is repealed and the following is substituted in lieu thereof (Effective October 1, 2015):

47-257(e) If any common expense is caused by the wilful misconduct, failure to comply with a written maintenance standard promulgated by the association or [gross] negligence of any unit owner or tenant or a guest or invitee of a unit owner or tenant, the association may, after notice and hearing, assess the portion of that common expense in excess of any insurance proceeds received by the association under its insurance policy, whether that portion results from the application of a deductible or otherwise, exclusively against that owner's unit.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated in underline]

For the reasons stated above, we are in support of Raised Bill No. 6988 - An Act Concerning the Termination and Dissolution of a Master Association.