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TESTIMONY OF RICHARD WECHTER, CMCA, IN SUPPORT TO RAISED BILL NO. 6988-AN ACT CONCERNING THE TERMINATION AND DISSOLUTION OF A MASTER ASSOCIATION

I am a Senior Vice President and Property Manager at Westford Real Estate Management, LLC where I currently manage approximately 1050 condominium units. I hold a designation as a Certified Manager of Community Associations. I am also a member of the Legislative Action Committee of the Connecticut Chapter of the Community Associations Institute.

The General Assembly SHOULD adopt Raised Bill No. 6988. I believe this change to Section 1 of Section 47-239(a) will better promote legislation approved by the legislature in 2014 on this subject.

I further support the opinion of the Legislative Action Committee of the Connecticut Chapter of the Community Associations Institute that the following three 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. These three changes are as follows:

First Requested Change

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

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 Subsection b(3) of section 47-250 of the general statutes is repealed and the following is substituted in lieu thereof (Effective October 1, 2015):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 Subsection b(9) of section 47-250 of the general statutes is repealed and the following is substituted in lieu thereof (Effective October 1, 2015):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

Second Requested Change

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

Section 4. 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):

(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]

Third Requested Change

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]

The first requested change to the Common Interest Ownership Act is desperately needed to provide boards and unit owners with the ability to act in cases where a board member or members are either missing or recalcitrant and prevent boards from acting appropriately and timely in between board meetings.

The second requested change to the Common Interest Ownership Act is needed to bring the voting by unit owners on the pledge of common charges in line with the voting provisions on budgets and special assessments. The current state of the law on this subject matter creates both confusion and inconsistencies in votes on capital improvement projects.

The third requested change to the Common Interest Ownership Act provides Associations with the ability to charge back insurance deductibles and non-covered losses to unit owners who commit ordinary acts of negligence. Currently, a standard of gross negligence is required which creates a undue burden on Associations to cover losses caused by acts of unit owners and their tenants and guests. The change to the Common Interest Ownership Act effective July 1, 2010 making the association master insurance policy primary over unit owner HO-6 insurance policies has increased costs to associations dramatically. This requested change will ease such financial burden on associations and place some of the financial exposure upon negligent parties.

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 with the three requested changes.

I thank the Committee for the opportunity to offer this testimony.

Respectfully Submitted,

Richard Wechter, CMCA
Senior Vice President
Westford Real Estate Management, LLC