

**TESTIMONY IN OPPOSITION OF RAISED BILL No. 1121 - AN ACT
CONCERNING THE OBLIGATIONS OF AN ASSOCIATION AND UNIT
OWNERS IN A COMMON INTEREST OWNERSHIP COMMUNITY**

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 believes that Section 1. (e) of this bill would create many unintended problems for common interest communities. Owners make the choice to purchase a home in a common interest community. Each owner agrees to be subject to the governing documents. The governing documents provide protection to the members of the association by helping to maintain the value of each of their homes. Associations have the autonomy to decide for themselves what exterior modifications to allow. Buyers have the piece of mind knowing that their best interests are being protected both by the terms of the governing documents and by the board of directors of their association that they elect. Each association has the ability to amend its governing documents by vote. This enables associations to keep their governing documents and policies in sync with changes in technology and life styles of their members. Homeowners purchase in common interest communities knowing that they give up rights to make changes to the exterior without approval of the association trusting that the same rules apply to their neighbors.

There are many practical reasons why this law would be a major burden to communities. The vast majority of common interest communities in our state place the ownership and maintenance responsibilities of the roof with the association. Not every community is constructed in such a way to permit the installation of the equipment. Buildings may be multi floor apartment style units, a townhouse on top of a garden style unit or stacked garden style units. Ownership may be in the form of a condominium, a planned unit

development or a cooperative. Even if conditions exist to permit the installation, associations need the ability to address other issues not limited to the following:

1. The timing of the maintenance and replacement of the roof is not determined or known by the individual unit owner planning to install equipment.
2. What rights will the association have to require removal of the equipment when the roof requires replacement?
3. Placement of the equipment on a roof could invalidate the warranty of the roofing system owned by the association.
4. What is the feasibility of running electrical lines between the individual unit and the solar equipment?
5. What happens if multiple unit owners share the same roof and inadequate space exists for all unit owners to install solar panels?
6. How would an association address the expense to remove equipment abandoned in event a unit is foreclosed?

The benefits of solar technology have made great strides. With the increasing need and desire to encourage the use of more environmentally and cost effective means of producing energy, associations will be looking for ways to allow their members to benefit from the technology. Imagineers, along with the Connecticut Chapter of Community Associations Institute, support Raised Bill 928 which will allow owners of common interest community homes the same opportunities to qualify for solar energy initiatives offered to other homeowners. Because common interest community homes vary greatly in their construction, a one size fits all solution is not practical. Associations need to be allowed to create guidelines that meet their specific community's needs and wishes. Although the drafted bill permits associations to have some control, it falls short of protecting the rights of all owners in the association.

Changes made to Section 2. (a), although intended to assist communities, could cause associations to become responsible for expenses that would normally be covered by insurance. We would not want to see an association become responsible for the resulting expense because the negligent unit owner is in bankruptcy or foreclosure. Now what could have been a covered expense by the master insurance policy could potentially now be denied. In many cases damaged caused impacts neighboring units. These neighbors expect and deserve a timely restoration of their home without concern for whether the funding exists to cover the repairs. Care needs to be taken to make sure that there are no unintended adverse conditions created by this change to the existing statute.

For the reasons stated above, we are in opposition of Raised Bill No. 1121 - An Act Concerning the Obligations of an Association and Unit Owners in a Common Interest Ownership Community.