



General Assembly

February Session, 2024

Raised Bill No. 144

LCO No. 1017



Referred to Committee on HOUSING

Introduced by:
(HSG)

AN ACT CONCERNING RESERVE FUNDS IN COMMON INTEREST OWNERSHIP COMMUNITIES.

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

1 Section 1. Subsection (a) of section 47-261e of the general statutes is
2 repealed and the following is substituted in lieu thereof (*Effective October*
3 *1, 2024*):

4 (a) (1) Except as provided in subdivision (2) of this subsection, the
5 executive board, at least annually, shall adopt a proposed budget for the
6 common interest community for consideration by the unit owners. Not
7 later than thirty days after the adoption of a proposed budget, the
8 executive board shall provide to all unit owners a summary of the
9 proposed budget, including a statement of the amount of any reserves,
10 [and] a statement of the basis on which such reserves are calculated and
11 funded, and the board's recommendation concerning the allocation of
12 funds necessary to maintain an adequate amount of such reserves as
13 determined by the board pursuant to subdivision (3) of this subsection.
14 Simultaneously, the board shall set a date not less than ten days or more
15 than sixty days after providing the summary for either a meeting of the

16 unit owners or a vote by ballot without a meeting to consider approval
17 or rejection of the proposed budget. If, at that meeting or in the vote by
18 ballot, a majority of all unit owners or any larger number specified in
19 the declaration votes to reject the proposed budget, the proposed budget
20 shall be rejected. If, at that meeting or in the vote by ballot, a majority of
21 all unit owners or any larger number specified in the declaration does
22 not vote to reject the proposed budget, the proposed budget shall be
23 approved. The absence of a quorum at such meeting or participating in
24 the vote by ballot shall not affect rejection or approval of the proposed
25 budget. If a proposed budget is rejected, the budget last approved by
26 the unit owners continues until unit owners approve a subsequent
27 budget. If a proposed budget is not rejected in accordance with the
28 provisions of this subdivision, the proposed budget shall be deemed
29 approved.

30 (2) The executive board of an association of a common interest
31 community, or of a master association as defined in section 47-239
32 exercising the powers on behalf of one or more common interest
33 communities or for the benefit of the unit owners of one or more
34 common interest communities, which community or communities were
35 established prior to July 3, 1991, and have more than two thousand four
36 hundred residential units, at least annually, shall adopt a proposed
37 budget for the common interest community for consideration by the
38 unit owners. Not later than thirty days after the adoption of a proposed
39 budget, the executive board shall provide to all unit owners a summary
40 of the proposed budget, including a statement of the amount of any
41 reserves, [and] a statement of the basis on which such reserves are
42 calculated and funded, and the board's recommendation concerning the
43 allocation of funds necessary to maintain an adequate amount of such
44 reserves as determined by the board pursuant to subdivision (3) of this
45 subsection. Simultaneously, the board shall set a date not less than ten
46 days or more than sixty days after providing the summary for either a
47 meeting of the unit owners or a vote by ballot without a meeting to
48 consider approval or rejection of the proposed budget. If, at that meeting
49 or in the vote by ballot, a majority of unit owners actually voting votes

50 to reject the proposed budget, the proposed budget shall be rejected,
51 provided not less than thirty-three and one-third per cent of the unit
52 owners entitled to vote on the proposed budget vote at that meeting or
53 in the vote by ballot to reject the proposed budget. If an association's
54 declaration or bylaws include quorum requirements for a meeting, the
55 absence of a quorum at such meeting or participating in the vote by
56 ballot shall not affect rejection or approval of the proposed budget. If a
57 proposed budget is rejected, the budget last approved by the unit
58 owners continues until unit owners approve a subsequent budget. If a
59 proposed budget is not rejected in accordance with the provisions of this
60 subdivision, the proposed budget shall be deemed approved.

61 (3) Not later than January 1, 2025, and at least annually thereafter, the
62 executive board shall conduct a study of the funds in reserve of the
63 association, determine the amount of funds necessary to maintain an
64 adequate level of such reserves and make recommendations concerning
65 the allocation of funds necessary to maintain such adequate level.

This act shall take effect as follows and shall amend the following sections:		
Section 1	October 1, 2024	47-261e(a)

HSG

Joint Favorable C/R

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