



House of Representatives

General Assembly

File No. 134

January Session, 2023

Substitute House Bill No. 6631

House of Representatives, March 21, 2023

The Committee on Housing reported through REP. LUXENBERG of the 12th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

AN ACT CONCERNING THE COMMON INTEREST OWNERSHIP ACT.

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

1 Section 1. Subsection (m) of section 47-258 of the general statutes is
2 repealed and the following is substituted in lieu thereof (*Effective October*
3 *1, 2023*):

4 (m) (1) An association may not commence an action to foreclose a lien
5 on a unit under this section unless: (A) The unit owner, at the time the
6 action is commenced, owes a sum equal to at least two months of
7 common expense assessments based on the periodic budget last
8 adopted by the association pursuant to subsection (a) of section 47-257;
9 (B) the association has made a demand for payment in a record and has
10 simultaneously provided a copy of such record to the holder of a
11 security interest described in subdivision (2) of subsection (b) of this
12 section; and (C) the executive board has either voted to commence a
13 foreclosure action specifically against that unit or has adopted a
14 standard policy that provides for foreclosure against that unit.

15 (2) Not less than sixty days prior to commencing an action to
16 foreclose a lien on a unit under this section, the association shall provide
17 a written notice by first class mail to the holders of all security interests
18 described in subdivision (2) of subsection (b) of this section, which shall
19 set forth the following: (A) The amount of unpaid common expense
20 assessments owed to the association as of the date of the notice; (B) the
21 amount of any attorney's fees and costs incurred by the association in
22 the enforcement of its lien as of the date of the notice; (C) a statement of
23 the association's intention to foreclose its lien if the amounts set forth in
24 subparagraphs (A) and (B) of this subdivision are not paid to the
25 association not later than sixty days after the date on which the notice is
26 provided; (D) the association's contact information, including, but not
27 limited to, (i) the name of the individual acting on behalf of the
28 association with respect to the matter, and (ii) the association's mailing
29 address, telephone number and electronic mail address, if any; and (E)
30 instructions concerning the acceptable means of making payment on the
31 amounts owing to the association as set forth in subparagraphs (A) and
32 (B) of this subdivision. Any notice required to be given by the
33 association under this subsection shall be effective when sent.

34 (3) When providing the written notice required by subdivision (2) of
35 this subsection, the association may rely on the last-recorded security
36 interest of record in identifying the name and mailing address of the
37 holder of that interest, unless the holder of the security interest is the
38 plaintiff in an action pending in the Superior Court to enforce that
39 security interest, in which case the association shall provide the written
40 notice to the attorney appearing on behalf of the holder of the security
41 interest in such action.

42 (4) The provision of the written notice required by subdivision (2) of
43 this subsection shall not be deemed an unauthorized communication
44 with a third party under the provisions of sections 36a-645 to 36a-648a,
45 inclusive, or any regulations adopted thereunder.

46 ~~[(4)]~~ (5) The failure of the association to provide the written notice
47 required by ~~[subdivisions]~~ subdivision (2) ~~[and (3)]~~ of this subsection

48 prior to commencing an action to foreclose its lien shall not affect the
49 priority of its lien for an amount equal to nine months common expense
50 assessments, but the priority amount in such action shall not include
51 any costs or attorney's fees.

This act shall take effect as follows and shall amend the following sections:		
Section 1	October 1, 2023	47-258(m)

HSG *Joint Favorable Subst.*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact: None

Municipal Impact: None

Explanation

The bill has no fiscal impact as it pertains to communication between private parties.

The bill clarifies that the 60-day written notice a condominium (or other common interest community) owners' association must provide to certain third parties under certain circumstances is not a violation of the state's fair debt collection laws.

The Out Years

State Impact: None

Municipal Impact: None

OLR Bill Analysis

sHB 6631

AN ACT CONCERNING THE COMMON INTEREST OWNERSHIP ACT.

SUMMARY

Under certain conditions, existing law allows common interest community (e.g., condominium) owners' associations to bring an action to foreclose a lien on a unit for assessments attributable to the unit or fines imposed against the owner. Among other things, the association must give written notice to holders of previously recorded first or second security interests (e.g., mortgages) at least 60 days before bringing the foreclosure action.

This bill specifies that this 60-day notice is not an unauthorized communication with a third party under state laws or regulations governing creditors' collection practices. Department of Banking regulations generally limit the parties with whom a creditor may, without the debtor's consent, communicate about the collection of any debt (Conn. Agencies Regs., § 36a-647-4(b)).

EFFECTIVE DATE: October 1, 2023

COMMITTEE ACTION

Housing Committee

Joint Favorable Substitute

Yea 15 Nay 0 (02/28/2023)