



Senate

General Assembly

File No. 557

January Session, 2023

Substitute Senate Bill No. 1072

Senate, April 13, 2023

The Committee on Judiciary reported through SEN. WINFIELD of the 10th Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

AN ACT CONCERNING REVISIONS TO THE COMMON INTEREST OWNERSHIP ACT.

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

1 Section 1. Subsection (c) of section 47-260 of the general statutes is
2 repealed and the following is substituted in lieu thereof (*Effective July 1,*
3 *2023*):

4 (c) Records retained by an association shall be withheld from
5 inspection and copying to the extent that they concern:

6 (1) Personnel, salary and medical records relating to specific
7 individuals, unless waived by the persons to whom such records relate;
8 [or]

9 (2) Any unredacted paper or electronic ballot, any unredacted proxy
10 form and any other unredacted record that identifies a vote cast by a
11 unit owner; or

12 ~~[(2)]~~ (3) Information the disclosure of which would violate any law

13 other than this chapter.

14 Sec. 2. Section 47-213 of the general statutes is repealed and the
15 following is substituted in lieu thereof (*Effective July 1, 2023*):

16 (a) From time to time (1) the dollar amount specified in subdivision
17 (3) of subsection (a) of section 47-215, and (2) the one-hundred-eighty-
18 five-dollar fee charged by an association for the preparation of a resale
19 certificate, in accordance with subdivision (1) of subsection (b) of section
20 47-270, as amended by this act, shall change [,] as provided in
21 subsections (b) and (c) of this section, according to and to the extent of
22 changes in the Consumer Price Index for Urban Wage Earners and
23 Clerical Workers: U.S. City Average, All Items, 1967 = 100, compiled by
24 the Bureau of Labor Statistics, United States Department of Labor, (the
25 "Index"). The Index for December, 1979, which was 230, is the Reference
26 Base Index.

27 (b) (1) The dollar amount specified in subdivision (3) of subsection (a)
28 of section 47-215 and any amount stated in the declaration pursuant to
29 said section, and (2) the one-hundred-eighty-five-dollar fee charged by
30 an association for the preparation of a resale certificate, in accordance
31 with subdivision (1) of subsection (b) of section 47-270, as amended by
32 this act, shall change on July first of each year if the percentage of
33 change, calculated to the nearest whole percentage point, between the
34 Index at the end of the preceding year and the Reference Base Index is
35 ten per cent or more, but [(1)] (A) the portion of the percentage change
36 in the Index in excess of a multiple of ten per cent shall be disregarded
37 and the dollar amount shall change only in multiples of ten per cent of
38 the amount appearing in this chapter on January 1, 1984; [(2)] (B) the
39 dollar amount shall not change if the amount required by this section is
40 that currently in effect pursuant to this chapter as a result of earlier
41 application of this section; and [(3)] (C) in no event may the dollar
42 amount be reduced below the amount appearing in this chapter on
43 January 1, 1984.

44 (c) If the Index is revised after December, 1979, the percentage of
45 change pursuant to this section shall be calculated on the basis of the

46 revised Index. If the revision of the Index changes the Reference Base
47 Index, a revised Reference Base Index shall be determined by
48 multiplying the Reference Base Index then applicable by the rebasing
49 factor furnished by the Bureau of Labor Statistics. If the Index is
50 superseded, the Index referred to in this section is the one represented
51 by the Bureau of Labor Statistics as reflecting most accurately changes
52 in the purchasing power of the dollar for consumers.

53 Sec. 3. Subdivision (1) of subsection (b) of section 47-270 of the general
54 statutes is repealed and the following is substituted in lieu thereof
55 (*Effective July 1, 2023*):

56 (b) (1) Not later than ten business days after receipt of a request in a
57 record from a unit owner and payment by the unit owner to the
58 association of a fee [established by the association that does not exceed
59 one hundred twenty-five dollars] of one hundred eighty-five dollars, as
60 adjusted pursuant to section 47-213, as amended by this act, plus either
61 five cents for each page of document copies provided by the association
62 pursuant to this section or a flat fee of ten dollars for an electronic
63 version of those documents, for the preparation of the certificate and
64 other documents, the association shall furnish a certificate containing
65 the information necessary to enable the unit owner to comply with this
66 section and any other documents required by this section. An additional
67 fee of not more than ten dollars for expedited preparation may be
68 established if the certificate and all required documents are furnished to
69 the unit owner not later than three business days after the request in a
70 record is received by the association. No fee under this subsection may
71 include costs for services provided by an attorney or paralegal.

72 Sec. 4. Subsection (i) of section 47-255 of the general statutes is
73 repealed and the following is substituted in lieu thereof (*Effective July 1,*
74 *2023*):

75 (i) The provisions of this section may be varied or waived in the case
76 of (1) a common interest community all of whose units are restricted to
77 nonresidential use, or (2) a building in a common interest community if
78 all of the units within that building are restricted to nonresidential use.

79 Sec. 5. Subsection (a) of section 47-252 of the general statutes is
80 repealed and the following is substituted in lieu thereof (*Effective July 1,*
81 *2023*):

82 (a) Unless prohibited or limited by the declaration or bylaws, unit
83 owners may vote (1) by electronic or paper ballot, prior to or at a
84 meeting conducted in person, [or] electronically, or both in person and
85 electronically, and at any continuation of such meeting, (2) by a proxy
86 pursuant to subsection (c) of this section, or [] (3) when a vote is
87 conducted without a meeting, by electronic or paper ballot pursuant to
88 subsection (d) of this section.

This act shall take effect as follows and shall amend the following sections:		
Section 1	July 1, 2023	47-260(c)
Sec. 2	July 1, 2023	47-213
Sec. 3	July 1, 2023	47-270(b)(1)
Sec. 4	July 1, 2023	47-255(i)
Sec. 5	July 1, 2023	47-252(a)

Statement of Legislative Commissioners:

In Section 1(c)(2), "a" was added before "vote" for consistency and "or" was added after "owner;" for accuracy; and in Section 2(b)(2), Subdivs. (1) to (3), inclusive, were changed to Subparas. (A) to (C), inclusive, for accuracy.

JUD Joint Favorable Subst. -LCO

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, which makes various changes to the Common Interest Ownership Act (CIOA), does not result in a fiscal impact to the State or municipalities as it impacts condominium associations.

The Out Years

State Impact: None

Municipal Impact: None

OLR Bill Analysis**sSB 1072*****AN ACT CONCERNING REVISIONS TO THE COMMON INTEREST OWNERSHIP ACT.*****SUMMARY**

This bill makes various revisions to the Common Interest Ownership Act (CIOA) (see BACKGROUND).

It requires common interest community associations to keep confidential any unredacted records that identify how a unit owner voted, including (1) paper or electronic ballots and (2) proxy forms. Current law gives unit owners access to voting records (regardless of whether they are redacted). By law, associations must keep voting records for at least one year after the vote.

The bill increases the fee that unit owners must pay their association for the required resale certificate when selling their unit (see BACKGROUND). The bill sets the fee at \$185; current law allows associations to set the fee, up to \$125. (By law, the association can also charge certain associated costs.) The bill also provides for potential increases in the \$185 fee on each July 1, if there is at least a 10% increase over a specified reference base tied to inflation (the U.S. Bureau of Labor Statistics' Consumer Price Index for Urban Wage Earners and Clerical Workers: U.S. City Average).

Existing law allows strictly nonresidential common interest communities to vary or waive the law's insurance requirements (see BACKGROUND). The bill additionally allows residential common interest communities to vary or waive these requirements for buildings that are restricted to nonresidential use.

Current law allows unit owners to vote at meetings either in person or electronically. The bill specifies that owners may vote, by electronic or paper ballot, at meetings (whether held in-person, remotely, or a hybrid), and also may vote before the meeting or during any continuation of it. As under current law, these provisions apply unless the association's declaration or bylaws prohibit or limit voting in this way.

EFFECTIVE DATE: July 1, 2023

BACKGROUND

Common Interest Ownership Act

CIOA governs condominiums and other common interest communities formed in Connecticut on and after January 1, 1984 (CGS § 47-200 et seq.). Certain CIOA provisions also apply to common interest communities created in Connecticut before January 1, 1984, but do not invalidate existing provisions of the communities' governing instruments. Common interest communities created before that date can amend their governing instruments to conform to portions of CIOA that do not automatically apply (CGS §§ 47-214, -216 & -218).

CIOA Resale Certificate Requirements

CIOA generally requires residential unit owners, when selling their units, to give the purchaser a resale certificate that includes specified information about the association, such as its current budget, assessments, reserves for capital expenditures, and any occupancy or leasing restrictions (CGS § 47-270).

CIOA Insurance Requirements

Under CIOA, residential common interest communities generally must maintain the following types of insurance:

1. property insurance for the (a) common elements, and (b) units in buildings with three or more units divided by horizontal or vertical boundaries (i.e., stacked or side-by-side units) including owner-installed improvements under certain circumstances;

2. liability insurance relating to the common elements (and the units, for cooperatives);
3. fidelity insurance; and
4. flood insurance if the property is in a flood hazard area and the unit owners vote to require it (CGS § 47-255).

COMMITTEE ACTION

Judiciary Committee

Joint Favorable

Yea 36 Nay 1 (03/27/2023)