

OFFICE OF FISCAL ANALYSIS

Legislative Office Building, Room 5200
Hartford, CT 06106 ◊ (860) 240-0200
<http://www.cga.ct.gov/ofa>

sSB-1013

AN ACT CONCERNING COMMON INTEREST OWNERSHIP
COMMUNITIES.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 24 \$	FY 25 \$
Department of Housing	GF - Cost	At least 50,000	None

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill requires the Department of Housing (DOH) to prepare a report for the Insurance and Real Estate Committee by February 1, 2024, assessing the funding of reserves involving any common interest community (e.g., condominium association). Due to a lack of staff capacity at DOH, the bill is anticipated to result in a one-time cost in FY 24 of at least \$50,000 for DOH to hire a consultant to prepare the required report.

The cost for consultant services will vary based on: (1) the methods used to identify and contact associations, (2) the number of associations and communities included, and (3) the depth of analysis into each association's reserve funding adequacy. To the extent the consultant conducts a thorough analysis of many systematically selected communities, the cost could exceed \$500,000. There are over 5,000

common interest communities in Connecticut.¹

The bill also makes various changes to the Common Interest Ownership Act, which are not anticipated to have a fiscal impact on the state or municipalities.

The Out Years

There is no fiscal impact in the out years.

¹ According to testimony from the Connecticut chapter of the Community Associations Institute, February 16, 2023.