

OFFICE OF FISCAL ANALYSIS

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sSB-1013

AN ACT CONCERNING COMMON INTEREST OWNERSHIP COMMUNITIES.

As Amended by Senate "A" (LCO 6600)

Senate Calendar No.: 202

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 in FY 24; however, the bill does not appear to require this. There are over 5,000 common interest

communities in Connecticut.¹

Senate “A” strikes provisions changing the Common Interest Ownership Act, which does not change the fiscal impact of the bill because those provisions were not anticipated to result in a fiscal impact to the state or municipalities.

The Out Years

There is no fiscal impact in the out years.

The preceding Fiscal Impact statement is prepared for the benefit of the members of the General Assembly, solely for the purposes of information, summarization and explanation and does 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.

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