

# Insurance and Real Estate Committee JOINT FAVORABLE REPORT

**Bill No.:** SB-1013

**Title:** AN ACT CONCERNING COMMON INTEREST OWNERSHIP COMMUNITIES.

**Vote Date:** 3/14/2023

**Vote Action:** Joint Favorable Substitute

**PH Date:** 2/16/2023

**File No.:**

***Disclaimer:** The following JOINT FAVORABLE Report is prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and does not represent the intent of the General Assembly or either chamber thereof for any purpose.*

## **SPONSORS OF BILL:**

Insurance and Real Estate Committee

Sen. Martin Looney, 11<sup>th</sup> District

Sen. Herron Gaston, 23<sup>rd</sup> District

Rep. Jane M. Garibay, 60<sup>th</sup> District

## **REASONS FOR BILL:**

Some common reserve communities lack the reserves necessary to maintain facilities, which can negatively impact residents' property value as well as their quality of life. This bill would require a study from the Commissioner of Housing to see if the reserve funds for common interest ownership communities in the state are sufficient to maintain their facilities and meet the needs of their residents.

## **SUBSTITUTE LANGUAGE:**

Substitute language was added to sections 2 and 3. Section 2 provides that condos cannot consist of less than 50% owner-occupied units unless a rule is adopted that would allow less than 50% to be owner-occupied. Sec. 2 prohibits a person (definition in this chapter includes entities) from owning more than 25% of all units. Sec. 3 required a change to definition of "dealer" based on change in section 2.

## **RESPONSE FROM ADMINISTRATION/AGENCY:**

None expressed.

## **NATURE AND SOURCES OF SUPPORT:**

**Connecticut General Assembly, Senate President Pro Tempore, Martin Looney:** states support for this bill and encourages the committee to include in the study the concept of a condominium ombudsman.

**Kim McClain, Executive Director, Connecticut Chapter of the Community Associations Institute:** states support for the provision of this bill that would study the impacts of requiring the Department of Housing to complete a report to regarding reserve funding for Connecticut common interest ownership communities. It is questioned how the Department of Housing will conduct its study and concern is stated that the reports may contain out of date information if the associations do not regularly keep up contact info. Data from other states is cited and a report is posted.

**NATURE AND SOURCES OF OPPOSITION:**

None expressed.

**Reported by: Nicholas Hale**

**Date: 3/27/2023**