

# Judiciary Committee

## JOINT FAVORABLE REPORT

**Bill No.:** SB-1072

AN ACT CONCERNING REVISIONS TO THE COMMON INTEREST

**Title:** OWNERSHIP ACT.

**Vote Date:** 3/27/2023

**Vote Action:** Joint Favorable

**PH Date:** 3/3/2023

**File No.:**

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### SPONSORS OF BILL:

Judiciary Committee

### REASONS FOR BILL:

This bill will update and modernize the common interest ownership act. These changes are needed, as it addresses fees charged, virtual meetings, voting, insurance requirements and records held by an association. It updates fees that are charged for a resale certificate as it was last updated in 2004 and the information that is currently required on these resale certificates is not static. Records held by the association will not be able to be inspected or copied if they are related to personnel, salary and medical records relating to individuals unless they waive the right to this privacy. Unredacted ballots or electronic ballots that contain information of the vote cast by a unit owner will also be private. Changes in the insurance requirement are also made allowing for a variance when the common interest community is all restricted to nonresidential use. Virtual meetings were held during the COVID pandemic which increased participation. This would change the voting rights of a unit owner to vote prior to or at the meeting. It will also keep their votes confidential.

### RESPONSE FROM ADMINISTRATION/AGENCY:

None expressed.

### NATURE AND SOURCES OF SUPPORT:

**Karl Kuegler, Jr., Director of Community Association Management, Imagineers, LLC:**

Mr. Kuegler submitted testimony in support of this bill. This legislation would increase the maximum fee that can be charged in a resale certificate. This certificate is a statutory right

for every purchaser of a common interest community and is critically important to a buyer. The maximum fee currently was established in 2004 and since then, changes have been made to the statute. The current information is not static, and the greatest risk is an error in the disclosure as the preparer of the resale certificate is responsible for the information on it. He believes the bill permits automatic increases that do not exceed the Consumer Price Index. He also states that this bill would allow a homeowner to cast a ballot at a homeowner's unit owners meeting confidentially; a homeowner should not be concerned over repercussions when casting a vote at a meeting.

**Richard Wechter, CMCA, Senior Vice President and Community Association Manager, Westford Real Estate Management, LLC:** Mr. Wechter writes in support of this bill in its entirety. He stated that section one will mandate that homeowners voting at a meeting can have their votes be confidential. It would allow the votes to be seen, but information would be redacted. Section two and three address a long overdue increase in the fee charged for a resale certificate. These certificates are invaluable consumer information and is paramount to protecting a buyer. Section four provides flexibility as it pertains to the insurance requirement in cases where the common interest community have all units restricted to non-residential use. Section 5 is a critical change that will make it clear whether a unit owner can vote by ballot prior to or at the meeting. Virtual meetings have increased the participation of unit owners, and this would eliminate the cumbersome process of voting by proxy in a virtual setting.

#### **NATURE AND SOURCES OF OPPOSITION:**

**Anonymous:** Testimony was submitted without attribution in opposition to this bill. They stated that this bill would allow information regarding salary records for employees (or those contracted) to be withheld unless waived by the persons who the record relates. They believe this is the right of the unit owners to have this information and know the costs that are incurred. They understand withholding medical or disciplinary records, but the unit owners pay the salary.

**Reported by:** Nate Kalechman

**Date:** April 6, 2023