Legislative History for Connecticut Act

SB 1135 PA 474 1983

House - 8215 - 8225 11

Senate - 3476 - 3486, 3723 - 3724 13

Judiciary - 1820 - 1840, 1930 - 1933, 1940, 1955, 2021, 2022 - 2022A, 2030 31

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CONNECTICUT
GEN. ASSEMBLY
HOUSE

PROCEEDINGS
1983

VOL. 26
PART 23
7917 - 8289

The House of Representatives is now voting by roll. Would the members please return to the Chamber immediately. The House of Representatives is now voting by roll. Would the members please return to the Chamber immediately.

Have all the members voted? Have all the members voted? If so, the machine will be locked. And the Clerk will take a tally.

Will the Clerk please announce the tally.

CLERK:

Senate Bill 8, as amended by Senate Amendment "A", and House "A".

Total number voting	139
Necessary for passage	70
Those voting yea	139
Those voting nay	0
Those absent and not voting	12

SPEAKER STOLBERG:

The bill is passed.

CLERK:

Page 15, Calendar 890, Substitute for Senate Bill No. 1135, AN ACT CONCERNING A COMMON INTEREST OWNERSHIP ACT, as amended by Senate Amendment Schedules "A" and "B". Favorable Report of the Committee on Judiciary.

SPEAKER STOLBERG:

Rep. Ritter.

REP. RITTER: (3rd)

Yes, Mr. Speaker. I move acceptance of the Joint Committee's Favorable Report and passage of the bill in concurrence with the Senate.

SPEAKER STOLBERG:

Will you remark?

REP. RITTER: (3rd)

Yes, Mr. Speaker. This is a very significant bill. I can say that we probably don't the time to go into all the details of it, because it's probably been a bill that's been screened by more people than any other piece of legislation we'll see this year. I commend Bill Breech in the Law Division Commission. I understand it's a culmination of 8 years of work that's been done in Connecticut and around the country.

Briefly, the act broadens our statutory coverage to all common interest property, and increases purchaser protections, strengthens association rights, increases developer flexibility, and I'd just like to say that of all the different groups that we who have on any piece of legislation like this, every group has met and believes that this is a significant piece of legislation, and they're

in favor of it, and that would include, again, the Law Revision Commission, and the Connecticut Bar Association, the Legal Services people, the title companies, the councils, so I think that it's again something that has been worked out.

I know that in screening, both sides have had an opportunity to talk to the proponents of the bill, and in fact, Lee Samowitz and Nina Parker and I have been meeting to go over this bill.

At this time, I would just like to call two Senate amendments. The Clerk has LCO No. 6531. May he please call and may I be allowed to summarize.

SPEAKER STOLBERG:

The Clerk has LCO 6531, Senate Amendment Schedule "A". Will the Clerk please call.

CLERK:

LCO 6531, designated Senate "A", offered by Sen. Owens of the 22nd.

REP. RITTER: (3rd)

Mr. Speaker, this is one of two technical amendments that we'll be dealing with today, and I move its adoption.

SPEAKER STOLBERG:

Rep. Ritter has asked leave to summarize. Is there objection? Seeing no objection, please proceed.

REP. RITTER: (3rd)

Mr. Speaker, this is just one of two technical amendments, and I move its adoption, Mr. Speaker.

SPEAKER STOLBERG:

Will you remark further on the technical amendment? If not, all those in favor of the amendment, please indicate by saying aye.

REPRESENTATIVES:

Aye.

SPEAKER STOLBERG:

All those to the contrary, nay. The amendment is adopted.

REP. RITTER: (3rd)

Mr. Speaker, the Clerk has LCO No. 6381, Senate Amendment "B". May he call and may I be allowed to summarize.

SPEAKER STOLBERG:

The Clerk has Senate Amendment Schedule "B", LCO 6381. Will the Clerk please call and read.

CLERK:

LCO 6381, designated Senate "B", offered by Sen. Zinsser of the 4th and Sen. Skowronski of the 17th.

In line 285, after the word "the", insert the words,

"conversion of any buildings to the"

In line 286, insert a period after the word ownership and before the word "or" and delete the words "or impose any"

Delete lines 287 to 294 inclusive, in their entirety.

REP. RITTER: (3rd)

Yes, Mr. Speaker, just quickly this amendment by Sen. Zinsser, which I have no problem with states that no zoning building code or subdivision or other real property, useful ordinance or regulation may prohibit the conversion of any building to the interest form of ownership, but I move its adoption.

SPEAKER STOLBERG:

Will you remark further on Senate Amendment Schedule "B"?

REP. CANDELORI: (23rd)

Mr. Speaker.

SPEAKER STOLBERG:

Rep. Candelori.

REP. CANDELORI: (23rd)

Mr. Speaker, just a question to Rep. Ritter, please.

SPEAKER STOLBERG:

Please frame your question.

REP. CANDELORI: (23rd)

Thank you, Mr. Speaker. I just didn't understand what the last amendment did. Did you say it prevented individual units from being converted?

REP. RITTER: (3rd)

No, the opposite, does not.

REP. CANDELORI: (23rd)

Thank you, Mr. Speaker.

SPEAKER STOLBERG:

Will you remark further on Senate "B"? If not, all those in favor of the amendment, please indicate by saying aye.

REPRESENTATIVES:

Aye.

SPEAKER STOLBERG:

All those to the contrary, nay. The amendment is adopted. Will you remark further on the bill? Rep. Ritter.

REP. RITTER: (3rd)

Again, very briefly, I'd just like to say that it's been a very good experience getting involved with all the different people in there, but there's been no one person who I got to respect more than Rep. Nina Parker, and I'd just like to yield to Rep. Parker at this time.

SPEAKER STOLBERG:

Rep. Parker, do you accept the yield?

REP. PARKER: (31st)

Yes, Mr. Speaker, I do. This is major legislation. I am sorry that it's already five munutes past seven because the courts are going to have a heyday with this unless we put something on the record for legislative intent.

Very briefly I'll try to summarize some of the major points. The condo fire hit Connecticut in 1975, and in 1976, the General Assembly took away from local towns the authority to control condos by passing legislation doing just that. And through the years until 1982, we wrote hodge-podge, haphazard legislation again using the expression, putting out fires.

We were trying to control the spread of condo conversion and also exercise some controls. In 1981, the Chairman of the Judiciary Committee asked the Law Revision Commission to look at the uniform model act on common ownership property and see if Connecticut could adopt that.

What we have before us is not the Uniform Common Law Act, the national one that ten other states have

adopted, but I consider it a far better one, because it is tailored for Connecticut's specific needs.

There were all parties represented in the deliberations before the Law Revision Commission as Rep. Ritter mentioned. But I am sorry that in committee, in the Judiciary Committee full attention was not given to this bill. There were a number of meetings by some of us who were particularly interested and I would like to compliment the members of the Law Revision Committee for making themselves available at all times to answer our questions.

I am bothered by the process. I am bothered by a process that tonight we are adopting this major legislation and so few of us have read it or know what is in it. We have to trust fellow legislators and as one of those who is being trusted, I am only consoled by the fact that our laws are not written in stone and if this doesn't work, we'll be back next year with another bill.

But in spite of my doubts about the process, not the bill, I support this bill. It has major impact on municipalities, but it does not take away any of their zoning rights. It makes it easier for Zoning Boards in considering applications to review them, since it is

spelled out specifically the things that are necessary to consider.

Through the amendment process, we have made two important changes. The original file gave development rights, allowed development rights to the developer that set no time limit. In other words, he could build 100 units now and keep his development rights for 10 years and then build the other 100 rights.

This would mean that planning boards would have a very difficult time setting standards in their town. We have changed that so now the development has a time table. And through the first amendment, we also gave tenants the same rights if they hold their lease, that they cannot be evicted except for cause in the case of conversion.

For the first time in Connecticut history, this bill gives statutory authority for other forms of common ownership, cooperative, leasehold and nonresidential office and manufacturing condos. It's interesting to note that these have sprung up in our state, but there has been no statutory for them.

I support this bill. I think that it is a very important step to take, and I urge your approval.

Thank you.

SPEAKER STOLBERG:

Will all members please be seated. Will staff and guests come to the well of the House. Will you remark further? Will you remark further? If not, the machine will be opened.

The House of Representatives is voting by roll at this time. Will all members please return to the Chamber immediately. The House of Representatives is voting by roll at this time. Will the members return to the Chamber immediately.

Have all the members voted? Have all the members voted? Have all the members voted? If so, the machine will be locked. The Clerk will take a tally.

Rep. Emmons.

REP. EMMONS: (101st)

Thank you, Mr. Speaker. I would like to be in the affirmative.

SPEAKER STOLBERG:

Rep. Emmons in the affirmative.

Have all the members voted?

If so, will the Clerk please announce the tally.

CLERK:

Senate Bill No. 1135, as amended by Senate "A" and Senate "B".

Total number voting	139
Necessary for passage	70
Those voting yea	139
Those voting nay	0
Those absent and not voting	12

SPEAKER STOLBERG:

The bill is passed.

CLERK:

Page 7, Calendar 757, Substitute for Senate Bill No. 989, AN ACT AUTHORIZING THE CONVEYANCE OF STATE LAND IN THE TOWN OF WINDSOR AND GRANTING EASEMENTS TO THE CONNECTICUT LIGHT AND POWER COMPANY AND THE CONNECTICUT NATURAL GAS CORPORATION, as amended by Senate Amendment Schedule "A". Favorable Report of the Committee on Government Administration and Elections.

SPEAKER TOLBERG:

Rep. Atkin.

REP. ATKIN: (140th)

Mr. Speaker, I move acceptance of the Joint Committee's Favorable Report and passage of the bill.

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CONNECTICUT
GEN. ASSEMBLY
SENATE

PROCEEDINGS
1983

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3196-3590

installation, repair, alteration or maintenance of active solar hot water heating systems must be licensed by the amendment July 1, 1984 with some exemptions. Licensing procedures takes into account licenses already held prior experience in installing solar systems and educational training courses in solar installation. The Department of Consumer Protection is responsible for the solar licenses.

Mr. President, I might also point out that the several vocational schools throughout the State of Connecticut were also responsible in the drafting of this particular bill.

If there are no objections, I move placement on the Consent Calendar.

THE PRESIDENT:

Without objection, so ordered.

THE CLERK:

Cal. 587. File 784. Substitute for Senate Bill No. 1135. AN ACT CONCERNING A COMMON INTEREST OWNERSHIP ACT. Favorable report of the Committee on

Judiciary. The Clerk has amendments.

THE PRESIDENT:

Senator Owens.

SENATOR OWENS:

Mr. President, I move acceptance of the Joint Committee's favorable report and passage of the bill.

THE PRESIDENT:

The Clerk please call the first amendment.

SENATOR OWENS:

I wonder if we could call 6531 first, if there would be no objection to that.

THE CLERK:

The Clerk has Senate Amendment Schedule A.

LCO 6531.

THE PRESIDENT:

Senator Owens.

SENATOR OWENS:

Yes. I waive the reading and ask permission to explain it.

THE PRESIDENT:

You may proceed, without objection.

SENATOR OWENS:

Right. Basically, this amendment, 6531, is technical in nature and straightens out a few problems that we had in the drafting and it provides that no landlord may bring an action or a summary process to dispossess a tenant described in Subsection (a) of this act and it also protects various tenant's rights and there was one problem that we incurred with respect to the jurisdiction of the banking commission that has been resolved in committee by this amendment as well.

I would ask adoption of the amendment.

THE PRESIDENT:

Will you remark further on the amendment? If not, all those in favor signify by saying Aye. Those opposed Nay. The Ayes have it. THE AMENDMENT IS ADOPTED.

THE CLERK:

The Clerk has Senate Amendment Schedule B. LCO No. 6381, offered by Senator Zinsser.

THE PRESIDENT:

Senator Zinsser.

SENATOR ZINSSER: (4th)

Mr. President, 6381 is Senator Skowronski and myself, that is our amendment. I had talked to Senator Skowronski and he was actually going to bring it out and he is not in the chamber, and I wonder if we could just pass it until he gets back. I don't know where he is.

THE PRESIDENT:

He is on the phone. The Senate will stand at ease. I think he is getting in touch with the entertainer. (Referring to birthday ceremonies)

SENATOR ZINSSER:

I think it went to his head.

THE PRESIDENT:

If her line was busy, call her again, Senator Skowronski. You have an amendment with Senator Zinsser. Amendment Schedule B. LCO No. 6381. Senator Zinsser is yielding to you.

SENATOR SKOWRONSKI: (17th)

Thank you, Mr. President. Mr. President, what this amendment does is take out

1983 GENERAL ASSEMBLY

SENATE

WEDNESDAY
MAY 25, 1983

THE PRESIDENT:

Do you move adoption of the amendment?

SENATOR SKOWRONSKI:

Thank you, Mr. President. I do move adoption of the amendment and ask that the reading be waived and permission to summarize.

THE PRESIDENT:

You may proceed.

SENATOR SKOWRONSKI:

Thank you, Mr. President. Mr. President, what this amendment does is to remove an interference with local zoning from the Condominium Bill. What the file copy of the bill says, does is it says that if local zoning allows apartment houses in certain districts, then by this law, it shall also allow condominiums, And What this amendment does is it removes that provisionand says that it removes this over ride of local zoning and just retains the original override of local zoning in the original Condomium Bill which provides for an override of local zoning only to the extent that local zoning cannot prevent a condominium conversion through local zoning but removes this other feature in the file copy.

THE PRESIDENT:

Do you wish to remark further on this amendment? If not, all those in favor will signify by saying Aye. Those opposed Nay. The Ayes have it. SENATE AMENDMENT B IS ADOPTED.

THE CLERK:

Senate Amendment Schedule C. LCO 6383, OFfered by Senator Zinsser.

THE PRESIDENT:

Senator Zinsser.

SENATOR ZINSSER: (4th)

Thank you, Mr. President. Because we were successful on the preceding amendment, I wish to withdraw this one, sir.

THE PRESIDENT:

This amendment has been withdrawn.

We are back now to the original bill. Senator Owens.

SENATOR OWENS:

Yes, Mr. President. On the bill itself. The common interest ownership act, Senate Bill 1135,

that has been worked on extensively by the Law Revision Commission, in fact, this has been one of their major projects. They have been working on this for more than one year with public hearings - has finally come to fruition. It has the unanimous support from lenders, developers, consumers, title companies and unit owner associations. Their letters of support are myriad, detailed and numerous.

The act has been carefully reviewed and scrutinized by all parties involved or who it could affect, as well as our committee.

There are three basic forms of common interest development in the State of Connecticut. One is the one condominium. The other planned community and cooperatives. The policy considerations for protecting purchasers and providing certainty and guidance to unit owners' associations, lenders and developers are almost identical. We want to protect the lenders. We want to protect the consumer and we want to protect the developers as well. Existing law covers only condominiums. Under existing law, a developer may avoid the condominium law

by structuring the development as a planned community or as a co-op which causes insurmountable difficulties. The act covers all three forms of ownership and extends its benefits and structures substantially beyond existing law.

The act really increases purchaser protection by expanding disclosure requirements on sale and resale. It extends the warranty rights and specifies purchaser protection in the event an association is terminated. For example, under this act, promotional material may not show amenities or other improvements unless they will be built or unless they are marked, Need Not Be Built. Under existing law, promotional materials commonly show improvements that are never constructed just to bring the prospective buyer in, to suck them in to make a purchase and then they are left with nothing except unfulfilled promises.

The act's rights and the rules that it lays down make significant improvement over current law and it places in certain inflexible and burdensome reserve and escrow requirements which strengthen association

financing rights, warranty provisions and developer obligations to complete prior to purchase.

Under existing law, associations may be unable to finance necessary community maintenance because they have no property to offer as collateral. The act allows an association to finance on the basis of its common elements and by pledging its income stream. Heretofore, this was not possible to develop this.

The act also increases developer flexibility by the creation or expansion, ah, under existing law creation or expansion of certain types of development is inhibited by arbitrary restrictions on forms and amendments. Under the act, developers are allowed greater flexibility in structuring and phasing a development. Developers should also benefit from the greater certainty of lenders with respect to lenders' rights under planned communities and co-ops. Expressed provisions of the act, however, insure against developer abuse.

The existing Conversion Law that we have been talking about and has been made a part of this circle

certainly is retained except with minor revisions. While the existing Conversion Law has been redrafted to conform with the act and to clarify its provisions, the existing policy of protecting tenants on coversion has obviously been retained. It is the most important thing that we can do.

With this summary, I think that we have covered, and I will not go through the thirty-eight pages that have been reported here because it is a very complex measure, I do want to thank the members of the Law Revision Commission, particularly the chairman, William R. Breetz who is a lawyer here in Hartford and who has been over here on this bill and has worked very hard with the other members of the Commission, and also with the members of the staff, David Hemond who is a staff attorney, who is here, and also David Bickland the executive director who have worked very hard on this. I think sometimes their work goes without credit and I would ask that we consider the hard work that they have done and put into this.

I would ask, if there is no objection or

any questions, that this matter be placed on the Consent Calendar.

THE PRESIDENT:

Without objection, so ordered.

THE CLERK:

Page 5 - Cal. 612. File Nos. 680 and 849. Substitute for House Bill No. 5217. AN ACT CONCERNING THE SAFETY OF JOGGERS AND BIKERS, as amended by House Amendment Schedule A. Favorable report of the Committee on Judiciary. The Clerk has amendments.

THE PRESIDENT:

Senator Owens.

SENATOR OWENS: (22nd)

Mr. President, I wonder if I may at this time, I realize I don't like to interrupt while we are doing this bill, but I do have a short, ah, I would like to ask for a point of personal privilege, if I may.

THE PRESIDENT:

You may proceed.

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CONNECTICUT
GEN. ASSEMBLY
SENATE

PROCEEDINGS
1983

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3591-3995

SENATOR SCHNELLER:

Because some individuals have raised some questions about it and I would like to P.R. the item for today.

THE PRESIDENT:

Does that satisfy your inquiry?

Are there any other announcements before we call the Consent Calendar. If not, the Clerk will call the Consent Calendar. Give your attention to the Clerk.

THE CLERK:

Page 3 - Cal. 514, 535. Page 4 - Cal. 566 and 587. Page 5 - Cal. 666 and 667. Page 6 - Cal. 683, 685, 686. Page 7 - Cal. 692, 693, 694. Page 8 - Cal. 698, 699, 701. Page 9 - Cal. 702, 704, 706. Page 10 - Cal. 710, 715. Page 11 - Cal. 717. Page 16 - Cal. 529, 536. Page 17 - Cal. 154, and 426. Page 18 - Cal. 451. Page 19 - Cal. 219. That completes the list of items on today's Consent Calendar.

SB188. SB1116. HB7088, SB1135, SB169. SB355. HB5852, HB5281. HB5318. SB729. SB1005. HB5672. HB6936. HB6961. HB6166, HB7125. HB7274. SB1048. SB1150. HB7203, HB5876. SB631. SB449. SB852. SB879. SB810. SB243

THE PRESIDENT:

Are there any questions or comments in reference to the Consent Calendar as read by the Clerk?

The Clerk will make a final announcement for a roll call vote.

THE CLERK:

A roll call has been called for in the Senate. A roll call has been called for in the Senate. Will all senators please take their seats.

THE PRESIDENT:

The machine is open for the Consent Calendar. May I remind you that we have one vote to take after the Consent Calendar. The machine will be closed and locked.

Total Voting was 35. Those voting Nay is 35. THE CONSENT CALENDAR IS ADOPTED.

Senator Baker.

SENATOR BAKER: (24th)

Mr. President, before we take the next vote, may I make an announcement?

THE PRESIDENT:

Yes, Senator.

SENATOR BAKER:

The Insurance and Real Estate Committee will be meeting tomorrow at 10:30 a.m., Room 418 to take

JOINT
STANDING
COMMITTEE
HEARINGS

JUDICIARY
PART 6
1820 - 2159

1983

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JUDICIARY

State Capitol
Judiciary Room
April 11, 1983
12:30 P.M.

PRESIDING CHAIRMEN: Senator Owens
Representative Tulisano

COMMITTEE MEMBERS PRESENT:

SENATORS: Owens, Eads, Serrani

REPRESENTATIVES: Chase, Shays, Parker, Berman, Baronian, Onorato Wollenberg, Krawiecki, Rybak, Schlesinger, Wenc, Looney, Brouillet

REP. TULISANO: I'd like to call the hearing to order. Gentlemen and ladies.

Cass 1

MR. BILL BREETC: Representative Tulisano and members of the Committee, my name is Bill Breetc, and I'm the Chairman of the Law Revision Commission and I'm also Chairman of the Drafting Committee that proposed the Bill which now appears before you in the form of Raised Committee Bill 1135.

Let me preface my remarks by telling you that unlike most good lobbyists, I have to admit to a personal interest in this legislation. It is not a financial but a professional interest. I was one of the reporters for this act with the Uniform Laws Conference when we first began working on the condominium legislation in 1974. And I've worked on the original Uniform Act as well as the amended act which was adopted by the Conference in 1980.

I also was a reporter for the Planned Community Act and the Model Real Estate Cooperative Act, all of which are brought together in the Act that you have before you. In addition to working on that for the Uniform Laws Conference, I chaired the drafting committee of the Law Revision Commission which considered the Uniform Bill which you now have before you and I was pleased to be able to assemble a group of advisors that are as capable and have such broad experience as those who sit before

MR. BREETC: (continued)
you today and we appreciate the opportunity to have a few special moments of your time.

Let me say that the Act that you now have as I've suggested, is a product of nine years of work on both the Uniform Laws level and in Connecticut, and I think we've done really quite a remarkable job of bringing before you a highly complex piece of legislation in which, as far as I know, all of the interested parties that are affected by the legislation are unanimous in supporting.

It is a substantial piece of legislation. It replaces not only the current condominium act which as you know this legislature has worked on a number of times, but it replaces as well, many of the rules that would apply to condominiums created under the presently existing statute. Perhaps some of our advisors will speak to that. But more than that perhaps, it affects all future developments of clustered housing cooperatives, however created in the state of Connecticut and certain provisions of it apply to all cluster housing and cooperative projects that presently exist.

The principal section that will affect them is the provisions of the resale certificate that the unit owners of current units will be required to give to owners in the future. But there are other provisions in here as well that I think in an important way, provide flexibility and certainty to unit owners associations which have struggled with that problem for a good many years.

All I've suggested to you is that it picks up all the old and new projects, the level of regulation that's described in the act, will differ tremendously depending on the size of the project; whether it's large or small and depending on whether it's a new project or an old project, depending on whether the development rights so called, are complex or simple and depending, in some instances, on the level of assessment for the project.

But I think that while that sounds complex, the scheme has been very carefully considered and works quite well. In addition to that, however, the principal value of the Act is to resolve in all forms of multiple ownership, a

MR. BREETC: (continued)
number of problems that developers, consumers and others have experienced. The present Act imposes restrictions on the flexibility that a developer has to construct a condominium project in a particular way. This act resolves and provides a developer great flexibility which is one of the principal reasons, frankly, why the development community has been able to support the act.

In addition, however, we've identified a number of consumer protection issues we think are important and they're important not only for condominium unit buyers, but for buyers of other forms of multiply owner property. It's ironic, it seems to me, and to the Commission, that while the present condominium act requires a great level of disclosure in the form of public offering statements for condominiums, it requires nothing at all for cooperatives or clustered housing, when the economic issues that effect buyers of clustered housing are just as significant as those that effect condominiums.

This act rationalizes the level of disclosure and imposes a higher level for all project than is presently existing for condominiums alone. Title defects have also been an issue. The title industry was very much involved in the deliberations, both on the Uniform Act and in the Act in Connecticut. They're here today and I think they're able to say to you that the title issues that may exist in the field have been resolved by the Act.

Another important constituency that we've dealt with extensively is the lender industry. It's important, particularly in complex projects, that lenders be in a position to be able to evaluate with some certainty what their risk is and what their powers are in the event that they have to step into a project after there's been a default. There's been a good deal of litigation around the country on precisely how the developer regulates that process and what it's exposure is depending on certain steps that it may take.

I think one of the principal advantages of the act from the lender's point of view is that those issues are resolved. There are a number of other good government issues in terms of transition, eminent domain, insurance

MR. BREETC: (continued)
and a variety of other areas where the act really helps everybody and has not been controversial at all in our deliberations.

Finally, this Act takes the conversion provisions of Connecticut law as they presently exist and I think rationalizes that as well. Our charge from the Committee Chairman was to take the conversion provisions and simplify them, rationalize them, clarify them, but make no substantive change in the basic bundle of rights that are given to conversion tenants. To the extent--and what we've tried to do is precisely that and we've worked closely with the Legal Services Attorneys in the State and while they certainly didn't get everything done that they'd like, I think they'll tell you today that for the most part, they're comfortable with it.

We recognize that there are special interests around the table in our advisory body, that haven't been answered in every instance. I think what was remarkable was that we were able to produce a letter which we've delivered to each of you that says on balance the Act is a step forward from every specific interest and while as individuals, each interest would prefer certain provisions, that on balance, the Act represents progress for all of us.

Let me introduce to you the advisors that we have at the table today; each of whom, I think, would like to spend a few minutes describing the impact of the Act from their perspective. On my far right is Attorney Max Perlstein who is a lawyer in West Hartford who represents a number of condominium associations and developers with an official representative to the advisory body and Community Associations Institute which has as its constituency, representation of unit owners associations.

Next to him is Bud Cohen who is actively involved in a home builders association and represents a great number of developers and builders in the state. Next tohim is Herb Krasow, a Hartford lawyer who we're particularly glad to have because of his expertise in representing lenders in both construction and in lending in a development process. On my immediate right is Bob Bannon with

MR. BREETC: (continued)
First American Title Insurance Company; Bob is one of three title companies that have sat on our deliberations and I hope will speak to you from the perspective of the title industry.

On my immediate right is Ben Ruben. Dr. Ruben is a non-lawyer, the only such member of the advisory group and who suffered willingly and long hours listening to legalees as we continued through our deliberations. Ben is a unit owner in a condominium and has had extensive experience in the field. On his left is Roger Hammond with Day, Berry and Howard. Roger joined us as a general representative of the Connecticut Bar Association but his firm, as well as the others here, had extensive development experience in the field.

Next to Roger is Raphael Podolsky who works for the Legal Services Program and who you see, I'm sure, on a regular basis in other matters. Ralphael's particular insight here, was in the conversion field and he was very helpful to us in that regard and I guess that's it.

We, in addition to that, the advisory group included Mark Oland who is an attorney with the Connecticut Bar Association who was very helpful and who is now in Atlanta and Marvin Farbin who is a Legal Services lawyer in Middletown who worked with limited equity and low income cooperatives and we have a provision in here designed especially to enhance the feasibility of cooperatives for the poor.

Mr. Chairman, unless you have questions of me, I would start with Mr. Perlstein and ask him to address you.

REP. TULISANO: The first question is should I keep the title uniform?

MR. BREETC: I think you can, Mr. Chairman. While we've made some changes in the Act, I would say that 99 percent of the Act remains intact.

REP. TULISANO: Except for the conversions.

MR. BREETC: Except for the conversions which is Article 5.

MR. BREETC: (continued)
Which is purely Connecticut.

MR. MATT PERLSTEIN: Mr. Chairman, my name is Matt Perlstein and I'm an attorney. I live in Hartford and practice with the firm of Carlo, Levy and Mandell and Kostin in West Hartford. I am also the Chairman of the Committee on Legislation of the Connecticut Chapter of the Community Associations which not only, as Bill mentioned, represents a great number of condominium associations, but is in fact somewhat of a unique trade organization in that it represents both producers, consumers and regulators of a given area of economic activity.

Both nationally and on a state level, the Community Associations Institute has a board which is balanced between developers, unit owners, government regulatory officials and what we call associates, who are lawyers, accountants and other professionals who serve condominium development and as such, our interest in CAI and mine in part, in serving on the drafting committee, was to try to perhaps represent the industry as a whole, or represent making everything work and I think it's in this capacity that I'm particularly pleased to be here this morning urging favorable action on Bill 1135.

What has happened, Mr. Chairman, very simply, is that the ingenuity of the people of Connecticut have outrun our existing condominium legislation. The statutes we have now basically were passed in the early 60's and were based on the assumption that a few people might want to take what we knew as an apartment house and divide up the ownership. Since that time, we have turned everything from office buildings to industrial parks to marinas into condominiums. We have developed a common law thing that works like a condominium. Which is sometimes referred to as a planned unit development which exists completely outside of condominium regulation.

We have developed limited equity co-ops in an attempt to bring home ownership to people who couldn't afford it before and in many cases through the conversion process and through new construction, we've been able toprovide kinds of housing, kinds of rehabilitation, kinds of land

MR. PERLSTEIN: (continued)
use that are useful to the state and that were never thought of before and particularly were never thought of at the time that this legislature was drafting the original act. So we now have a situation where we have an area of economic and social activity that goes in part within the purview of the present condominium act and in part outside, as with POD's and in part, would be going on if we had the enabling legislation to do it.

If I may just cite one brief example. The present condominium act defines a unit as a space or space within a building or buildings and assumes pretty much that the space or space will be fixed and defined for all times. That's fine until you try and do a mobile home park as a condominium. You're not selling a space in a building. You're selling a space on which someone may put a mobile home.

It doesn't work in a commercial context where you're selling office space and it may be that five years from now, the person who owns this large office may want to divide it half, subdivide it, if you will, and sell it. Some of these things we--these are things that people want to do and developers have found it profitable to do that people have found it useful to buy and to live in.

Sometimes the ingenuity of lawyers can get around the limitations of the Act; sometimes we can't but what we end up with is some things that perhaps ought to be done if we had the enabling legislation, such as the Uniform Statute that is before you and finally, whole areas that the legislature meant to regulate in the condominium act. For example, the POD's, which are no longer regulated because the definition of what is being regulated is too narrow.

Now, without going into all the particulars, I think the important thing about this statute, this proposed statute, is that it's drawn on both within the Committee here and in the original drafting at the national level, the 20 years of experience with what condominiums can be, what they should be, and what they shouldn't be, and it attempts to deal with these things to take them all in under the enabling umbrella to provide protections where

MR. PERLSTEIN: (continued)
they are needed, to provide the maximum flexibility to allow community forms of ownership, to serve the needs of all people in as many ways as possible without the kind of gaps or limitations we have at present. So that I think simply because of its scope, this is a very important Bill and one that ought to be passed and also, as I think some of the other speakers will mention, when it comes to particular areas, the thought, in some cases, the compromise, the ways in which we've gone about make it a particularly good and a particularly commendable piece of comprehensive legislation and I for one, certainly urge that it be passed.

REP. TULISANO: I want to know one thing. Do you think it's impossible to do some of these esoteric things without enabling legislation?

MR. PERLSTEIN: Mr. Chairman, there are a few things that may be impossible. We have finally figured out to develop a high rise planned development on air rights so maybe nothing is impossible. But it certainly, in many cases, is more difficult because there is no statute. The people involved don't have as much guidance as to what is or is not permitted. Simply in terms of the amount of a lawyer's time that has to be spent drafting and reviewing these things because we don't have a clear statutory framework to start from. We're raising the cost, however small, we're raising the cost of housing and other forms of ownership because we have toinvent and reinvent things that the new statute or the new Bill would make much more easy.

REP, TULISANO: Isn't there a more common law or form of condominium? Outside the statutory--

MR. PERLSTEIN: There is a--what we call a planned unit development which is in many ways like a condominium. The major difference in a condominium, each unit owner owns his or her unit and the rest of the land and structure is ordinarily owned by all of the unit owners in common with the association running it for them. What we have done in some cases is to make a planned unit development where each unit owner owns a lot or a unit or a piece of air space and a corporation, a membership

MR. PERLSTEIN: (continued)
corporation holds title to the remaining land. In practice, they function in the real world the same way and there are sometimes advantages to one or the other. I must say as the attorney representing developers, that some developers found planned unit developments attractive precisely because they were able to avoid some of the limitations and protections of the condominium act.

MR. ROBERT COHEN: Thank you Mr. Chairman. My name is Robert Cohen, 37 Lewis Street. I'm going to surprise you and say very little. I think the essence of a good compromise is that everybody is just a little bit unhappy.

From a developer's point of view, I'm still a little bit unhappy about the consumer protection aspect of the Bill and I'm sure Rafie is unhappy about some of the things that I'm happy about but by and large, I think that the what I consider to be deficiencies in the Bill which I've talked to this Committee about way back, have largely or substantially been alleviated and that the flexibility of the Bill outweighs what I still consider to be some deficiencies so therefore I'm pleased to be able to say I'm in favor of it.

MR. HERB KRASOW: Mr. Chairman, my name is Herb Krasow and I'm an attorney with the Hartford law firm of Leventhal, Krasow and Rouse. My hat that I'm wearing today and since last July when I first started on this complex piece of legislation is that of lender's counsel. The Act is one--is the first opportunity that the legislature is faced with, to include all types of multiple ownership property under one scheme which have a similar essential characteristic differentiated only by the form of ownership.

The problem the lenders in the state of Connecticut have had in the past and the uncertainty as to what exactly the condominium act covers and does not cover, as a result many lawyers representing developers have been faced with a situation where they've had to engage in legal gynmastics in order to make the documents for certain types of multiple ownership development conform with our act and satisfy the lenders and the title people.

MR. KRASOW: (continued)
One of the benefits of the Act and one of the reasons I am in favor of its passage is that it enhances the financability and the marketability of common interest communities in the lending community. It recognizes interests that heretofor have not been covered by statute. It recognizes a cooperative interest as a real estate interest which is available for financing in the lending community.

It also expands the definition of the unit and as Matt Perlstein mentioned, we are no longer confined if this Act is passed, to vertical or horizontal boundaries. Therefore, we can include with the Act, condominization for a planned unit development of a slip which has been done in the past, but the documents are very complex and there is a certain amount of uncertainty as to what actually the lawyers have created.

The definition of real estate provides for a broadened definition which now includes for instance, a space that is filled with water which is the slip situation that I just alluded to. It provides more certainty--the Act provides more certainty in management of condominiums, in the filing of documentation and enhances the salability of mortgages in the secondary market. There is a situation in Connecticut where the lenders after they've accumulated a certain number of loans, will immediately sell the loans in a secondary market. With the uncertainty in Connecticut in several forms of multi-owned real estate, this has been an impossibility and hopefully this will cure one of the needs that I've seen in the past and will therefore provide more mortgage money to satisfy Connecticut's housing needs.

The Act could be a vehicle whereby items such as title rights reserved to a declarant can be cleaned up and I think that through the deliberations we've attempted to do that and hopefully it'll be somewhat successful.

Time-share units are covered under the Act as far as disclosures are concerned, to protect the community, although there are no substantive provisions in this particular act relating to time-share communities as such.

REP. TULISANO: We would be willing to take a suggestion with regard to that and that's our next project.

MR. KRASOW: The Act should bring increased rationality and uniformity to the law of common interest communities. It probably provides a balance level of consumer protection for purchasers that are today covered by the condominium act, but are not covered under various forms of ownership. Consumer protection under the time-share that are presently not covered, as I said, will be covered under this Act.

It has a potential for bringing about a dramatic improvement in the fabric of the law governing multi-ownership units and I recommend its passage.

MR. ROBERT J. BANNON: Thank you Mr. Chairman. My name is Robert J. Bannon and I'm Vice President and Counsel for First American Title Insurance Company in Hartford, Connecticut.

The Title Insurance Industry supports this Act, proposed Act, primarily because it combines all forms of multiple ownership under one Act, including planned communities and cooperatives which are presently unregulated in the statute.

In addition, it clarifies many of the questions raised by the present condominium act and plugs some of the loopholes that exist in that act and I might mention, if I may, just a few of those problems that I think are resolved by this act. Specifically, the new act provides for the creation of leasehold condominiums whereas the present statute is extremely confusing and probably only provides for leasehold condominiums or for leasehold interests granted by fee unit owners.

The present act also provides for expansion but only by the addition of land to the condominium. This creates problems when you consider the possible expansion of high rise condominiums or the expansion of lateral condominiums where the land has already been declared.

The new act would permit developers to add or withdraw

MR. BANNON: (continued)
land, to add units, common elements and limited common elements and to subdivide units and to convert units into common elements.

The new act also specifically provides for the conveyance and mortgaging of common elements and this gives a great deal of flexibility to the association to raise cash for emergency repairs of a large nature such as the addition of new roofs without tremendous heavy assessments against the unit owners.

As Herb Krasow mentioned, the act also defines real estate as including air space and water space and this would have the benefit of specifically providing for such types of developments as boat slips and there are a number of boat slip condominiums in Connecticut presently, many of which have been developed so-called under the condominium statute but they've used tremendous fictions in order to try and include themselves under the condominium statute.

For instance, there is one boat slip development in the state that designates small, tiny lockers as units in order to try and comply with the statute. This would give the flexibility, this act, would give the flexibility to develop that type of regime.

Finally, the act provides that title will not be deemed to be unmarketable in the event of an insubstantial compliance with the act. That's always a question under the present act. We do not know--

REP. TULISANO: Title will not be practical as a result of a insubstantial--

MR. BANNON: --insubstantial failure to comply with the act.

REP. TULISANO: Who determines that?

MR. BANNON: I think ultimately the courts would, but--

REP. TULISANO: Okay, go ahead. I got you. Substantial--how's this? You file your declaration and you file a copy and not the original; is that a substantial or a

REP. TULISANO: (continued)
dissubstantial?

MR. BREETC: There's no requirement in the new act that it be the original document.

REP. TULISANO: Is that a substantial or an insubstantial? A recorded copy? Isn't that in fact a declaration? What's the proof of intent to declare? I got the original. You got the copy. You record it. Can you declare my land?

MR. BREETC: Notarized?

REP. TULISANO: I'm holding it. I haven't delivered it and I haven't brought it.

MR. BREETC: I don't think it's--

REP. TULISANO: I know of one in West Haven right now. Go ahead.

MR. BEN RUBIN: I'm Ben Rubin of Manchester, Connecticut. I remind you again, I'm the only member of this Committee who is not an--

REP. TULISANO: Very refreshing.

MR. RUBIN: --is not an attorney.

REP. TULISANO: We can't argue with you.

MR. RUBIN: Yes you may, with a language I can understand. I do support this Act mainly because of the fact that for the first time in Connecticut, it brings cooperatives within the jurisdiction of the state statutes.

However, I do have a number of reservations about the Act as it's written, particularly because I guess I'm not an attorney and I'm not looking forward to creating opportunities for litigation at the expense of consumers. That is the unit owners or whoever would choose to bring an action. I do have a number of problems with some of the language. I think as you read through the Act, you'll

MR. RUBIN: (continued)
find some difficulty as well. You'll find some paragraphs which are unnecessarily contorted and even one or two which I think are beyond the comprehension of the average person and the degree to which one has to seek legal advice to obtain an interpretation of the language, I find deplorable.

You were correct. This Act is not a uniform act in one very important respect in which it differs from the uniform act. The proposed uniform act is the deletion of the original Article 5 from those acts. The original Article 5 provided for an enforcement agency for the Act. That is missing from the Connecticut version.

There was no need to displace that Act by a conversion section even though that section was desirable on its own accord. Aside from this, in the special meeting which we held in August with this Committee, I cited a number of concerns regarding the operation of condominiums on behalf of unit owners. The Act addresses well the problems of transfer of ownership. Relations between buyers and sells and representatives. I don't see that this act deals adequately with the problems of unit owners in the transition period or the period that follows. That is the period in which declarant still has control and the period for which the declarant is still present but the owners have taken the majority control.

And because of what I consider to be very serious defects in this respect, I would like to see further work on this Act particularly by the same committee which prepared it for your consideration.

At the same time, the Bill as it exists, I think does represent a step in the correct direction and is worthy of support subject to my reservations, and requests for continued deliberation of the contents thereof.

MR. ROGER HANLON: Mr. Chairman, my name is Roger Hanlon and I'm with the law firm of Day, Berry and Howard in Hartford. A number of years ago, just after the effective date of the Condo Act in 1976, my firm was asked

MR. HANLON: (continued)
to give some assistance to the three Bank trade associations and in attempting to amend that Act to in their minds, assist the condominium industry to become more active.

I was happy with the amendment that we were able to get at that time, but they certainly were only a band-aid. I'm much happier with this Bill. It is a new product which proved that we learned from experience as we go on.

This Bill is an overall improvement from the standpoint of lenders, developers and consumers and has no bad effects as far as existing condominiums are concerned. It continues the theme of self regulation of condominiums by requiring developers to make disclosure with adequate penalties if they fail to live up to their responsibilities.

The main reason for my enthusiasm for this Bill and I have been waiting for this kind of thing for a number of years, is that it does supply a law of common interest projects. No longer will we be confronted with various kinds of hybrids, along with the co-ops and other forms of housing that we have today. We will have this Act to look at and it will govern all of those situations. Thank you.

MR. RAPHAEL PODOLSKY: Mr. Chairman, my name is Raphael Podolsky. I'm with the Legal Services Training and Advocacy Project. As with other members of the advisory committee, I view the Bill as a whole, to be a step forward. The underlying purpose of the Bill is to bring cooperatives and other planned unit communities within the framework of the Condominium Act seems to me a sensible thing and I therefore support it.

The committee, however, specifically said to its members that where there were very important matters with which the committee member did not agree, would be free to bring those to the attention of the Committee. There are two such matters that I think are quite important and in some ways, fundamental and I do want to call them to your attention.

One I would say is quite major. The other is, in terms

MR. PODOLSKY: (continued)
say in discussing in Artle 5 where it states what rights a tenant has to bring suit, to include evasion of the provisions of the Act as a grounds. And leave it to the individual case to determine what constitutes an evasion.

With those suggestions for amendments, I do support--I consider the Act as a step forward and I do support adoption of the Act. Thank you.

SEN. OWENS: Would you ask your staff if you would, to prepare us--it's rather extensive and to prepare an outline of what the Bill does and from now on, ask them when they send these large bills over, if they could send it over--when you're talking with the Committee, if it's in kind of an outline form what it does--it would be in a short form--

REP. TULISANO: How often will we have to change this Bill after we pass it this year? Will we have to come back next year and amend this Bill again? The practitioners in the state ought to start getting to be able to read the Bill and generally know how to do a conversion.

MR. BREETC: Let me say, Mr. Chairman, that you asked, you appointed a sub-committee consisting of Representative Ritter and Samowitz, to review the Act. They have done a first class job in doing that and have asked for a number of changes in the act as a result of their review. We've prepared a package of Bills which I've been over with the advisory committee this morning and I will be providing you those prior to the time that the Committee chooses to act on them.

I would say in large measure they are relatively insubstantial and the Committee is comfortable with them. I would doubt, frankly, Mr. Chairman, that the act will be changed, except to the extent that the Committee feels the need in the future, to address the kinds of policy issues that Mr. Podolsky speaks of or the kinds of things that Dr. Rubin speaks of.

The Act is clear. There's very little uncertainty in it buton questions of local option, on control and the

MR. BREETC: (continued)
question of the extent to which the legislature may wish to apply the provisions of this act in the future to new construction which is--there are serious questions, public policy questions on the extent to which a new tenant in a new building should be provided or is provided protection under the act.

Those are policy questions which we're prepared as a group to work with you with if you wish. Similarly, the kinds of issues that Mr. Podolsky speaks of are clear policy questions and if the Committee saw fit to address those, either within the context of this Act or a separate act, we're certainly able to deal with those but they're not questions that the advisors feel they have any particular expertise on.

SEN. OWENS: How do you differ from Mr. Podolsky in the issues that he's raised?

MR. BREETC: Well, Mr. Podolsky suggests that there is an uncertainty in the current law with respect to local options. I can characterize it as implicit only. I think the Act, 47a-23b is a statement of policy and says that towns do not have the power to regulate conversions locally so it seems to me that current law is very clear.

The charge that I perceived us to have from the Chairman was to reflect current conversion law as closely as we could, but to rationalize the statute and make it understandable. I think we've done that. To the extent the legislature in its policy making saw fit to change that, we would draft in accordance with your wishes, but we didn't change that policy in my view at all.

REP. TULISANO: To just make it clear a little bit, this would not prohibit a town from establishing zoning areas for multiple family dwelling units of whatever form of ownership.

MR. BREETC: Precisely right.

REP. TULISANO: It maintains the ability of the towns to regulate that area.

MR. BREETC: Absolutely right. But it has to apply the same rule regardless of the form of ownership.

REP. TULISANO: Yes, every town would have the same conversion rules or whatever rules.

MR. BREETC: That's right.

SEN. OWENS: Well, I'd like to develop that just a little bit. I'm sorry, I didn't mean to interrupt.

REP. PARKER: We have a (inaudible) regulation in our town, a floating zone and we allow condominiums in those zones, providing they meet the requirements of our town's ordinances, would this allow that kind of intervention by--

MR. BREETC: The same form of floating zone applied to rental property?

REP. PARKER: A rental property or individual single houses or commercial; yes.

MR. BREETC: Yes, then--as long as the ordinance applies even-handedly to rental property, condos, huds, so that it focuses on the legitimate issues of use as opposed to the form of ownership, then the Act is explicit that that is all right.

SEN. OWENS: I wanted one of Mr. Podolsky, just for a second. Did you hear his explanation? That still gives you a problem; is that correct? Maybe I'm missing the point of what you're trying to say here.

MR. PODOLSKY: Let me ask--Section 1-106 says--is that if an apartment building can be--if a rule applies to apartment buildings, then specifically identical buildings must be treated in the identical way by the towns. That is to say that if a particular plot of land is allowed to have an apartment building, the town must allow condominiums, specifically identical condominiums to exist on that same plot of land. Additionally, if someone wants to convert that 20 unit apartment building into a 20 unit condominium, the town may not in any way, stop that

MR. PODOLSKY: (continued)
because they are physically identical--

SEN. OWENS: That's the law now, isn't it, though?

MR. PODOLSKY: (inaudible) You couldn't say for example, single family homes that were stacked on top of each other, in other words, they could be condominiums and they mustn't be regulated under a separate category or they could not apply the conversion process itself. (inaudible)

SEN. OWENS: It what?

MR. PODOLSKY: It effectively precludes the municipal regulation of conversions--

SEN. OWENS: Is that the law now?

MR. PODOLSKY: The law now--

SEN. OWENS: Is that the law now? Yes or no?

MR. PODOLSKY: That's the law--

SEN. OWENS: Yes or no?

MR. PODOLSKY: I would say--

REP. TULISANO: Okay, that's all.

SEN. OWENS: Representative Parker.

REP. PARKER: I'd like to continue that. Raphael and I are really on the same side, but on this one we are for different reasons. The town knows best what the rental picture is, not a state statute sitting on the shelf somewhere and if the apartment building is the last rental in the community, this law would preclude the town from saying, hey, we've got to have these 20 rental units or we will be without rental units so you cannot convert. Is that right? That this statute would override anything that local ordinances allow?

MR. BREETC: Let me respond by telling you a story that I heard out in Idaho. I went out to Idaho to testify when Idaho was considering adoption of the Uniform Condominium Act and everybody stood up and said it's a wonderful act, well drafted and ought to pass. And then the Mayor of Ketchum, Idaho stood up and he said, you know, this is a wonderful act and it ought to pass. I have only one problem with it. He said Ketchum has a lot of ski resorts in it and we're finding that there's a big demand for condominiums and if you take away our rental housing, if you permit developers tosell their properties to take away rental housing, then either the town or the developers are going to have to build new rental housing in order to house the employees for the ski areas.

And we like the fact that there's low income housing here because that means that the development community doesn't have to pay for new housing to support their ski areas. So we want local option. We want to be able to stop the developers from converting those buildings.

I was struck by that testimony because it was such a clear indication of the fact that conversions very clearly have the economic impact of favoring one interest as opposed to another interest.

This legislature, thus far, in my opinion, has taken a position that having provided the level of substantial protection to tenants that your current law does, that that provision ought to be uniform ; that no town ought to be able to undercut that or provide additional constraints on the conversion process. That is uniquely a policy judgment that you are able to make.

I think each of us individually have views on the subject but you don't need our technical input to solve that problem. If the position of the legislature were that we would like local option, that's an easy thing to provide by statute and we'd be happy to draft it properly for you, but I don't think any of us want to take, as a group, a position on that subject.

REP. TULISANO: Okay. Any other questions? Thank you gentlemen and ladies of the Commission.

REP. ONORATO: All right, thank you.

REP. SHAYS: Can I ask you just a question in regards to -- how do you pay your -- how do you buy food and how are you paying your mortgage and doing all these things. You own your house?

MS. BORDEAU: I own my house yes. And I skimp and I have had to borrow money.

REP. SHAYS: So you're doing it on your own. Okay. Thank you.

MS. BORDEAU: Okay, thank you.

SEN. OWENS: Thank you. Gerry Maine to be followed by Louise Levenworth.

GERRY MAINE: Good afternoon. My name is Gerry Maine and I'm the Chair of the Legislative Committee of the Neighborhood Housing Coalitions, a coalition of 38 groups in Hartford who are working on housing issues here. The Neighborhood Housing Coalition supports SB 596, An Act Providing for Municipal Control of Condominium Conversion. The Coalition believe that in a municipality such as Hartford which has a severe rental shortage of affordable rental units, it is impairative that our local government have the ability to further control conversion of valuable rental units into condominiums.

On the short side of public policy that allows conversion to continue while there is almost no new construction of new apartments. The City of Hartford had had 1,817 rental units converting to condominiums in the last 4½ years. During this time only 67 condominium units were created which were not conversions from rental property. To be able to protect our rental market from further conversion undoubtedly the office construction boom here in Hartford will encourage more conversion. Other communities in this region may want to take similar measures to protect tenants in their stocks.

I'm aware that Raised Committee Bill 1135 which you were hearing earlier today, An Act Concerning an Uniform Common Interest Ownership Act, specifically prohibits municipalities from imposing any requirement on a common

MR. MAINE: (continued)
interest community which would not impose upon a physically identical development under a different form of ownership. Therefore, we suggest that the intent of SB 596 be incorporated into SB 1135 to allow municipalities to restrict conversion of rental units into condominiums.

SEN. OWENS: How would they do that. Give me an example.

MR. MAINE: How would a municapality --

SEN. OWENS: The municipality would just say if you had an apartment house with 300 apartment houses in it, they couldn't convert to condo period?

MR. MAINE: Well a community could say, if the vacancy rate goes below a certain percentage in our town, we will stop conversion until there's an increase or --

SEN. OWENS: I have some problems really. And you know, I'm very big, you know, very supportive in this area generally. But I have some real problems when you start restricting the availability of real estate. You know, I think you can put conditions on it, but to saw, to make laws that are prohibitive, you can't convert, you know, it bothers me a little bit. And I'd like to get your attorney, your staff attorney on this send me some citations where they've been upheld or where similar legislation has been tested in the court already and been approved by

MR. MAINE: I know that a national moritorium on condo conversion was introduced two years ago by a Congressman, Benjamin Rosenthal in New York.

SEN. OWENS: You know, I've got a little bit of a problem you know when you do that unless -- I can see where you turn around and I'm just thinking about it -- I can see where you turn around and say hey, look, we have to have various conditions before we can convert this apartment house, this run down apartment house. It's got to meet code standards, it's got to be A, B, C, D. But to turn around and say hey, look we don't need as much in this because of the lack of population growth or something like that or the lack of development in other areas, to say that you can't convert it, you know, per se or you know, gives me a little bit of a problem.

REP. TULISANO: What's the difference between that and saying I can't (inaudible - two speaking at once) form of ownership versus use. Some of us perceive condominium as a form of ownership and not a use. And if a form of ownership means Senator Owens and myself as joint tenants in survivorship, what's the difference between that as holding a condominium?

Secondly, if you did have local control and Hartford would be the first to respond I'm sure that Bridgeport but Hartford would. What would happen if in Rocky Hill or Wethersfield they didn't respond as quickly as to prohibiting condominium conversation in those two municipalities. Would we then put undue pressure on the tenants there (inaudible)? And this is a statewide problem it seems to me and not a municipality problem. Will you respond?

MR. MAINE: Well, I'm not sure that automatically developers would then move into another town if they couldn't convert in Hartford because they perceived the market as a good market. Now, whether the markets in the other towns would be considered as lucrative to them, I'm not sure either. But that town, Rocky Hill, you town, would have the ability to put other restrictions on conversion.

REP. TULISANO: It may not work. more competing interests in a town like Rocky Hill which have more balance in terms of petitions before the local legislative body than might be true in Hartford. And, therefore, responding to the needs of a particular interest group in Hartford may be easier to do than it might be in, say, the Town of Rocky Hill. (inaudible) But say, they didn't have the same control in Hartford. We're only ten minutes away. Okay? And we have 50% of our units are multi-family dwelling units and I would not want then the tenants in my community to be put under that kind of pressure from owners who are looking for a place to do it. And that's the problem I see with municipal control in a state as small as Connecticut. And I've never been convinced otherwise.

(several people speaking at the same time)

MR. MAINE: Yes. Our basic concern is the fact that there's almost no new rental units being built, say in the City of Hartford. Actually, it's throughout the whole state, but in the City of Hartford. And that is the key issue, and the more the conversion continues, the fewer rental

MR. MAINE: (continued)
units we have left in the City of Hartford and people don't have other places to move to when they're converted out of their homes.

REP. TULISANO: Yes, I see this as a statewide issue rather than a municipal issue. I mean (inaudible)

MR. MAINE: I know, we've been through this.

REP. TULISANO: There's nothing we can do about that.

SEN. OWENS: We never talk about --

MR. MAINE: I've talked to them.

SEN. OWENS: -- I have some concerns and I've read your statement that you gave the Planning and Development spec to rental controls and allowing the municipalities the option to have that. That's another issue.

MR. MAINE: Yes. I just have like two or three more sentences here. Therefore, we suggest that the intent of S.B. 596 be incorporated into S.B. 1135 to allow muncipalities to restrict the conversion of rental units into condominiums. And it's not condominiums we're opposed to but the erosion of our rental stock through the conversion of apartments.

And it's this conversion process we want our municipalities to control. Therefore, we urge the committee to incorporate the intent of S.B. 596 into S.B. 1135. Thank you.

SEN. OWENS: Are there any questions of the committee? Thank you. Louise Loren? Okay, you're from Child and Family Services. Nancy Siterly next.

LOUISE LEVENWORTH: My name is Louise Levenworth. I am a social worker in adoption in Child and Family Services, a private, non-sectarian agency located in Hartford. I have been in the adoption field for many years and have had many contacts with adoptees, adoptive parents and parents who release their children for adoption. And I've done many searches.

I support part of the proposed Bill 1131, An Act Concerning Adoption Records. One, to give nonidentifying information on the adoptive parents to the genetic parents. I

MR. BREASTED: No, that's okay. I'm from Hartford. I live in Hartford in Felix Karsky's district if you want to know which district. I'm representing citizens lobby on Bill 596 about condominium conversion questions. We support the proposal. The made to incorporate the intent of 596 into the big Condominium Ownership Act. So, we urge you to amend Section 1-106 of the Bill 1135 to provide the towns may adopt ordinances to regulate the conversion of rental properties into condominium units.

We think that it would be in the best interest of the City of Hartford and its residents for the city to have some means to regulate condominium conversion since so much housing in this city, so much rental housing has been lost to condominium conversion. I'm not an expert on this material and I don't feel confident to address the questions you have raised.

I do think this would benefit more towns than Hartford. I do have questions about whether the situation is as bad in Rocky Hill as Rep. Tulisano says it would be about -- could be about passing an ordinance there.

REP. TULISANO: Failure to pass an ordinance could create pressure.

MR. BREASTED: Could create what?

REP. TULISANO: Pressure to convert the remaining rental units. 300 went last year.

MR. BREASTED: We do think this would benefit other cities and towns besides Hartford where there's been a similar problem with loss of rental stock. But we urge you to do that. To allow municipalities to regulate the conversion.

REP. TULISANO: Thank you, John.

MR. BREASTED: Right.

SEN. OWENS: Any questions. David Duncombe to be followed by Katria Gilden.

HB 7252

DAVID DUNCOMBE: Thank you, Mr. Chairman. My name is David Duncombe. I'm a minister of the United Church of Christ in Connecticut. I will speak in favor of adopting the Freedom of Political Expression Act. That's Committee

MR. PODOLSKY: (continued)
recognize there's some constitutional balances that have to be kept in place. It seems to me you might want to expand that committee if you're going to do it so the breadth will reflect more interest other than just those people who are collecting child support.

Bill No. 1129 is a bill that would establish attorney's fees for post-judgment procedures. I would call to your attention to section 22 of the Law Revision Commission's post-judgment remedy the bill, covers that in a much fairer and much more balanced way that I suggest you forget 1129.

Finally, I've previously testified at the beginning of the hearing with the Law Revision Commission on Bill 1135. Obviously, I support Bill 596, although I think it should be merged. When Jerry Main was speaking, you threw a number of questions out.

REP. TULISANO: I've been throwing them out to you, Raph.

MR. PODOLSKY: Since I've already spoken on the subject, I don't know if you want me to try and answer them now or not. I do have answers, but I feel that it's up to you whether you want me to say anything at this point. You didn't ask me, okay, I won't answer if I'm not asked.

Maybe I should say, I don't think, I think there are answers to all those. Let's just put it that way.

REP. TULISANO: (inaudible)

SEN. OWENS: Bruce Martin, to be followed by Veslocki, then Deborah Smith and Sid Miller. Good afternoon, Mr. Martin.

MR. BRUCE MARTIN: Good afternoon. Now I have a prepared statement that's four pages, a little less, double spaced. I admire your patience, I don't want to stretch it, but I'd like to read it, or I could paraphrase.

SEN. OWENS: Why don't you paraphrase.

MR. MARTIN: Yes. I have copies, not enough for all of you, but I trust the staff will provide each member with a copy. My name is Bruce Martin. I represent the American Friends Service Committee. I'm a field staff in Connecticut in our Peace Education Division. You might say that the Service

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April 7, 1983

H.B. 5110 and S.B. 1129 -- Wage executions and post-judgment collections

Recommended Committee action:	H.B. 5110 - Rewrite for consistency with H.B. 5822
	S.B. 1129 - Box

These bills overlap with subject matter covered by H.B. 5822 (which establishes a due process procedure for wage executions) and S.B. 1036 (which changes post-judgment procedures generally). They should be reviewed in conjunction with those bills.

H.B. 5110 -- Wage executions for family support

1. Apart from questions about its substantive content, the bill is drafted in a confusing and sometimes internally inconsistent way. It needs to be rewritten in entirety for clarity.
2. The bill fails to acknowledge or cite the federal exemption for family support executions, which in some cases is larger than the state exemption [l. 136].
3. Service of process is inadequate to give proper notice. Service to the last-known address is not sufficient when the place of employment is known [l. 100]. Service by certified mail is not adequate unless there is proof of receipt [l. 99].
4. It is unclear whether or not execution is automatically stayed to give time for the filing of a hearing claim form.
5. The bill permits an employer to charge his employee for complying with the wage execution [l. 239].
6. Numerous other provisions of the bill are in need of revision.

S.B. 1129 -- Attorney's fees for post-judgment procedures

The entire subject matter of this bill is covered, in a far better way, by §22 of S.B. 1036. In general, attorney's fees for post-judgment work are improper because the statutory limit of 15% attorney's fees added to the judgment already includes post-judgment collection work. That is the very reason that a percentage limit is used -- it takes more time and work post-judgment to collect a large judgment than a small one. S.B. 1036 narrowly limits the right to claim additional attorney's fees to exceptional cases. S.B. 1129 should be rejected and §22 of S.B. 1036 should be adopted instead.

-- Prepared by Raphael L. Podolsky

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April 11, 1983

-- Submitted by Raphael L. Podolsky

S.B. 1135 and S.B. 596 -- Condominium conversion

Recommended Committee action: AMEND S.B. 1135 so as to incorporate S.B. 596

S.B. 1135 is a comprehensive revision of the Condominium Act in a way which brings cooperatives and other planned communities into its coverage. I was a member of an advisory committee to the Law Revision Commission which reviewed the original draft of the bill; and I am in general support of the legislation.

There are, however, two very important changes which I believe that the Committee should make in S.B. 1135. They are:

1. Municipalities should be permitted to regulate the conversion process. Although the rate of conversions has slowed in the last few years due to high interest rates, it is generally expected that falling interest rates will produce a new outburst of conversions. Condominium ownership is generally desirable. But, when existing rental units are converted to produce condominiums, the impact on the rental market can be disastrous. Such towns as West Hartford, Stamford, and Hartford have all lost significant portions of their rental markets to conversion, forcing relatively lower income tenants out and raising rents for everybody. Towns have long had the power to control land use and planning decisions. That power should be read to permit a town to protect its rental market by regulating or restricting conversions, just as a town can now use zoning to control its land use.

Existing law contains no clear-cut prohibition on local control of conversions. Some towns apparently do have regulations, and at least one Superior Court decision has upheld some local power, Drubner v. Enfield P&ZC (J.D. Hartford-New Britain, 1982). Nevertheless, §47a-23c(a) implies that towns "may not regulate the conversion of residential rental property to condominium dwelling units" and it is likely that the state has, by implication, preempted local regulation.

Section 1-106 of S.B. 1135 takes this implied preemption and makes it explicit by affirmatively denying towns the power to regulate conversions. As a result, S.B. 1135 is not neutral on this issue. The policy of §1-106 should be rejected; and that section should be amended to permit local regulation. Language of an amendment is attached.

2. The law should make clear that creative evasions of the condominium conversion provisions of Article V are not permitted by the act. As drafted, the bill invites so-called "shelf conversions," in which an apartment building is filed as a condominium but run as an apartment building to avoid the protections given by the law to conversion tenants. A proposed amendment is attached.

Amendment #1 -- Municipal control of conversion process

a. Revise §1-106 toread:

Section 1-106. Applicability of Local Ordinances, Regulations, and Building Codes; POWERS OF MUNICIPALITIES.

(a) EXCEPT AS PROVIDED IN SUBSECTION (b) OF THIS SECTION, no zoning, building code, subdivision, or other real property use law, ordinance, or regulation may prohibit the common interest ownership form of ownership or impose any requirement on a common interest community which it would not impose upon a physically identical development under a different form of ownership. This Act does not otherwise invalidate or modify any provision of any building code, zoning, subdivision, or other local real property use law, ordinance, rule, or regulation governing the use of real property.

(b) NOTHING IN THIS SECTION OR IN SECTION 5-101 SHALL BE CONSTRUED TO PROHIBIT A MUNICIPALITY FROM REGULATING OR RESTRICTING THE CONVERSION, WHETHER BY DIRECT OR INDIRECT MEANS, OF RESIDENTIAL RENTAL PROPERTY TO A COMMON INTEREST COMMUNITY, PROVIDED THAT SUCH REGULATION OR RESTRICTION DOES NOT DEPRIVE TENANTS OF SUCH PROPERTY OF RIGHTS PROTECTED BY ARTICLE 5 OF THIS ACT OR BY ANY OTHER LAW.

b. Revise §5-101(4) to read:

...(4) because towns, cities and boroughs may not ADEQUATELY BE ABLE TO regulate the conversion of residential rental property to dwelling units in common interest communities...

Amendment #2 -- Evasion of the act

In line 3445 of §5-111, after the word "unit," insert: "or of evading the provisions of this section".

STATE OF CONNECTICUT

DEPARTMENT OF HOUSING

April 11, 1983

Senator Howard Owens, Chairman
Representative Richard D. Tulisano, Chairman
Judiciary Committee
State Capitol
Hartford, Connecticut

Raised Bill No. 1135 - An Act Concerning a Uniform Common Interest Ownership Act

Dear Chairmen and Members of the Judiciary Committee:

With reference to the above-mentioned bill and with regrets of not having the opportunity to make comments on behalf of the Department of Housing at the public hearing (4/11/83 1p.m.), I do hereby submit the following comments and concerns of R.B. No. 1135:

Section 5-106, Part b - Conversion Tenant's Right to Relocation Payment

If a rental agreement is made after the transition period has expired, declarant shall pay relocation payment when tenant vacates property. Many declarants agree to continue leases because marketing may be slow, therefore using the tenancy to provide income for said unit/property.

Section 5-107, Part a - Notice to Department of Housing

Include information for vacant apartment or building, last date of occupancy.

Section 5-112, Part b,c

Effective Date, January 1, 1984

General Comment - Article V

There still is no remedy for those declarants who do not file information and fee to Department of Housing. Filing fee should be increased to at least $50 per unit.

Sincerely yours,

Joseph E. Canale
Commissioner

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