

**PA12-180**

**HB5511**

House	7794-7797, 7852-7854	7
Judiciary	4833, 4834-4835, 4841-4846, 4887, 4889-4899, 4906-4912, 4919-4920, 4952, 4953-4955, 4974-4978, 5009-5020, 5308-5399, 5585-5586	146
<u>Senate</u>	<u>4491, 4496-4499</u>	<u>5</u>

**H – 1145**

**CONNECTICUT  
GENERAL ASSEMBLY  
HOUSE**

**PROCEEDINGS  
2012**

**VOL.55  
PART 23  
7514 - 7863**

cd/sg/lg/sd/ev  
HOUSE OF REPRESENTATIVES

616  
MAY 8, 2012

DEPUTY SPEAKER ARESIMOWICZ:

Those opposed, nay.

The ayes have it.

The amendment adopted.

Will you remark further on the bill as amended?

Will you remark further on the bill as amended?

Representative Fox.

REP. FOX (146th):

Thank you, Mr. Speaker.

If there is no objection, I would ask that the --  
this also be placed on the consent calendar.

DEPUTY SPEAKER ARESIMOWICZ:

The motion before us is placing the item on the  
consent calendar.

Is there objection? Is there objection?

Hearing none, the item is placed on the consent  
calendar.

Will the Clerk please call Calendar 389?

THE CLERK:

On page 17, Calendar 389, House Bill Number 5511,  
AN ACT CONCERNING THE BUDGET, SPECIAL ASSESSMENTS AND  
ASSIGNMENT OF FUTURE INCOME APPROVAL PROCESS IN COMMON  
INTEREST OWNERSHIP COMMUNITIES, favorable report by  
the Committee on the Judiciary.

cd/sg/lg/sd/ev  
HOUSE OF REPRESENTATIVES

617  
MAY 8, 2012

DEPUTY SPEAKER ARESIMOWICZ:

Representative Fox.

REP. FOX (146th):

Thank you, Mr. Speaker.

I move for the acceptance of the joint committees' favorable and passage of the bill.

DEPUTY SPEAKER ARESIMOWICZ:

The question is on acceptance of the joint committees' favorable report and passage of the bill.

Will you remark, sir?

REP. FOX (146th):

Thank you, Mr. Speaker.

The Clerk has an amendment, LCO Number 5511. I would please ask that that be called, and I'd be allowed to summarize.

DEPUTY SPEAKER ARESIMOWICZ:

Will the Clerk please call Calendar -- LCO Number 5511, which will be designated House Amendment Schedule "A"?

THE CLERK:

LCO 5511, House "A" offered by Representatives O'Neill, Fox, et al.

DEPUTY SPEAKER ARESIMOWICZ:

Representative seeks leave of the Chamber to

cd/sg/lg/sd/ev  
HOUSE OF REPRESENTATIVES

618  
MAY 8, 2012

summarize amendment.

Is there objection to summarization? Is there objection to summarization?

Hearing none, Representative Fox, you have the floor, sir.

REP. FOX (146th):

Thank you, Mr. Speaker.

What this amendment does is it deals with the funding for certain projects in condominium associations. It also deals with the voting procedures byway which those are approved, as well as how the budgets are approved.

And I move adoption on the amendment.

DEPUTY SPEAKER ARESIMOWICZ:

The question before the Chamber is on adoption of House Amendment Schedule "A."

Will you remark on the amendment? Will you remark on the amendment?

If not, let me try your minds.

All those in favor, please signify by saying aye.

REPRESENTATIVES:

Aye.

DEPUTY SPEAKER ARESIMOWICZ:

Those opposed, nay.

cd/sg/lg/sd/ev  
HOUSE OF REPRESENTATIVES

619  
MAY 8, 2012

The ayes have it.

The amendment is adopted.

Will you remark further?

Representative Fox.

REP. FOX (146th):

Thank you, Mr. Speaker.

I would ask that this also be placed on the  
consent calendar.

DEPUTY SPEAKER ARESIMOWICZ:

The motion before us is to place the item on the  
consent calendar.

Is there objection? Is there objection?

Hearing none, this item is placed on the consent  
calendar.

Will the Clerk please call Calendar 430?

THE CLERK:

On page 20, Calendar 430, Substitute for Senate  
Bill Number 411, AN ACT CONCERNING THE INSURANCE  
HOLDING COMPANY SYSTEM REGULATORY ACT, favorable  
report by the Committee on Insurance.

DEPUTY SPEAKER ARESIMOWICZ:

Representative Megna of the 97th, you have the  
floor, sir.

REP. MEGNA (97th):

cd/sg/lg/sd/ev  
HOUSE OF REPRESENTATIVES

674  
MAY 8, 2012

On page 7, Calendar 219, House Bill Number 5148,  
AN ACT CONCERNING AN ACT CONCERNING COMMUNICATIONS TO  
VICTIMS OF THE CURRENT OPERATION OF A MOTOR VEHICLE  
THAT RESULTS IN DEATH OR SERIOUS PHYSICAL INJURY.  
DEPUTY SPEAKER ARESIMOWICZ:

The distinguished Majority Leader, Representative  
Sharkey.

REP. SHARKEY (88th):

Thank you, Mr. Speaker.

Good to see you up there.

DEPUTY SPEAKER ARESIMOWICZ:

Thank you, sir.

REP. SHARKEY (88th):

Mr. Speaker, this represents the consent calendar  
and for everyone's edification, I will be listing off  
the calendar numbers in numerical order so that  
everyone can follow. I'll try keep it -- and make  
sure that I do it in numerical order. Thank you.

These will be: Calendar Number 90, Number 155,  
Number 219, Number 223, Number 290, Number 320, Number  
338, Number 345, Number 389, Number 430, Number 444,  
Number 455, Number 467, Number 470, Number 475, Number  
481, Number 485, Number 488, Number 489, Number 494,

cd/sg/lg/sd/ev  
HOUSE OF REPRESENTATIVES

675  
MAY 8, 2012

Number 496, Number 497, Number 505, Number 510, Number 513, Number 525, and Number 531.

I move adoption, I move adoption.

And with that, Mr. Speaker, I move adoption of the consent calendar. I move the consent calendar.

(Speaker Donovan in the Chair.)

SPEAKER DONOVAN:

The question before us is on passage of the bills on today's consent calendar.

Will you remark?

If not, staff and guests please come to the well the House. Members take their seats. The machine will be open.

THE CLERK:

The House of Representatives is voting by roll call. Members to the chamber. The House is voting today's consent calendar by roll call. Members to the chamber please.

SPEAKER DONOVAN:

Have all members voted? Have all members voted?

Please check the roll call board to make sure your vote has been properly cast.

cd/sg/lg/sd/ev  
HOUSE OF REPRESENTATIVES

676  
MAY 8, 2012

If all members have voted, the machine will be locked, and the Clerk will take a tally.

The Clerk please announce the tally.

THE CLERK:

On today's consent calendar

Total number voting	144
Necessary for passage	73
Those voting Yea	144
Those voting Nay	0
Those absent and not voting	7

SPEAKER DONOVAN:

The consent calendar passes.

Any announcements or introductions? Any announcements or introductions?

Is there any business on the Clerk's desk?

THE CLERK:

A list of Senate bills, Mr. Speaker.

SPEAKER DONOVAN:

Representative Brendan Sharkey.

REP. SHARKEY (88th):

Thank you, Mr. Speaker.

I move that we waive -- waive the reading of the bills and have these items placed immediately on the House calendar.

**JOINT  
STANDING  
COMMITTEE  
HEARINGS**

**JUDICIARY  
PART 15  
4669- 5003**

**2012**

REP. HOLDER-WINFIELD: Thank you, Representative Wadsworth.

Are there any questions?

Thank you.

Kim McClain.

KIM MCCLAIN: Good afternoon, honorable members of the Judiciary Committee. My name is Kim McClain, and I serve as the executive director of the Connecticut Chapter of the Committee Associations Institute, and I'm here to speak on Bills 5536 and 5511.

On 5536, I just wish to offer language for the definition of a manager at some point because I don't believe that that's clearly articulated in the bill as it sits right now.

We're one of 58 chapters of a national organization and our programs and events are developed by volunteers. And our -- and we're governed by a well-trained board of volunteers. CI supports the protection of homeowners and committee associations through increasing professionalism, the training of community association managers and appropriate insurance coverage. CICT also supports the national certification program sponsored by our national organization.

We have a catalog of courses that we offer through our national organization -- which I believe are referenced as part of one of the options in the bill that we have before us. These courses cover issues from basic operations to risk management and legal issues. Those who possess their credentials are also expected to

adhere to a formal code of ethics prescribed by the NBC-CAM.

We also support the training of realtors in the area of basic operations of condominiums and the rights and responsibilities of boards and unit owners. Although we believe that realtors have only the best intentions when they are selling a unit, it would appear that many purchasers of condominium units are often woefully unaware of the requirements of their community associations. We believe that realtors can be an integral part of the education process for new owners of condominium units.

We also wish to know that there are several excellent models for realtor training in the area of condominium sales. We're especially impressed with a program based out of Calgary, Alberta, in Canada, which offers a credentialling program for certified condominium specialists.

We believe that education should be an ongoing process for realtors, community association managers, board members and unit owners. Condominium ownership is a different lifestyle. The process of living in a community association is dynamic. It is important that all the key players involved are mindful of how their community functions. Communication and education are the best methods for insuring harmonious communities.

On Bill Number 5511, we wish to note that in its current form, we're opposed to the language. However, we've been working directly with Representative O'Neill to refine that bill so that we can continue to support greater transparency in the operations of common interest communities.

I also want to note that it was implied in the testimony of a proponent of 5511, that Connecticut lags behind other states in terms of regulation and protection for owners. It's important to note that the contrary is indeed true. Connecticut is well ahead -- we're well ahead of most states. And I just wanted to indicate that as a result of the work of the Judiciary Committee, we are way ahead, and we are proud to know that we are one -- the first state in the country to adopt the revisions to UCIOA.

I'd love to be able to answer some questions if you have any.

REP. HOLDER-WINFIELD: Thank you.

Representative Albis.

REP. ALBIS: Thank you, Mr. Chair.

And thank you, Kim, for your -- for your testimony today.

I just have a couple of questions for you. First of all, I haven't had a chance to look through this white paper. Do you delve into other opportunities for association managers to -- to get the type of training that is required in 5336, or do you just talk about CAI's opportunities.

KIM MCCLAIN: No. We -- there is an analysis of the varieties of programs that exist throughout the country, what other states have done in terms of regulation for managers, but it does go through some of the possibilities for education and clearly demonstrates that the program we offer is one of the most comprehensive.

REP. ALBIS: Great.

legislators from all over the state, all parties, all persuasions. Not only does this proposed bill tamper with the carefully structured compromise that satisfied all parties, but it also force towns to face the consequences of inconsistent policy. One day it's this, another day it's that, and then it goes back again.

At a time when there's substantial focus on health and wellness initiatives and on reducing automobile usage, it's essential to preserve the immunity of towns and cities for recreational land use. Increasing their legal and financial exposure by passing this legislation would do exactly the opposite.

Thank you.

REP. HOLDER-WINFIELD: Thank you.

Are there any questions?

Seeing none, I thank you very much.

REP. LAVIELLE: Thank you.

REP. HOLDER-WINFIELD: Chick Marcoux.

Please press the red button in front of you.  
Good afternoon.

HB5511

CHARLES MARCOUX: My name is Charles Marcoux. I'm a unit owner of the Heritage Village in Southbury, Connecticut. Southbury -- the Heritage Foundation -- Heritage -- excuse me -- Village is an association of 24 independent condominiums that have elected their own officers and directors and function as such. The master association was created by establishing a corporation by the condominiums and that corporation was delegated the power and

authority over common interests and things, like, the rules and enforcing the rules for all public condominiums.

In addition to the -- the -- the -- excuse me -- the condominiums also elect a representative from each condominium to form the board of directors of the Heritage Master Association. In addition, there are multiple committees, formal committees, standing committees of unit owners, overseeing various parts of -- of the effective operation of the association, such as grounds, and, such as finance.

We are operated by a -- a operating manager who is a professional employed by us who has a staff of 80 people. These 80 people have to look over what -- what is focused on in the association. We have almost 1,000 acres of forest of -- many involve heavy trees and beautiful landscaping. We have 45 buildings that have to be taken care of. We have six miles of roads to maintain, 24 miles of drive ways to be maintained and 26 miles of pathways to maintain. That's some indication of what's going on. The budget each year for this is \$16 million approximately.

The process of creating a budget is extremely important to us. And it is extremely important to us in a complexity of what we face that all of the involvement that we can get from all of the owners we have, but it is essentially a representative of government. And much like -- much as local, state and federal officials -- federal official governments are.

The process of the -- the budget starts is approximately six months, four to six months long. It starts in March of the year with the development of an operating plan by the operating manager and funding and data collection by each financial staff, then goes to

the executive staff of the master association -- all of whom are elected by the condominiums again, trustees -- then it goes through a series of processes, first, through the finance committee; all unit owners who review it, change it and when they're ready with it, vote it to approve or disapprove it. If they approve, it then it goes to the board of trustees. We do the same thing. When they're finished with it, it goes back to the finance committee in which they'll go over it again. Taking the -- the input from the trustees and then back out again to the trustees.

After that process, it is voted on and we have a proposed budget. That budget is then instructed to be taken by the trustees back to the condominiums for their discussion, input and recommended changes.

The net effect of all of this is to provide a democ -- democratic process in here. All of this in the end is subject to the rejection of all of our owners if they are somehow unaccepted -- if they somehow do not accept the budget after all this process.

The problem is, to some, that the state law now requires that any owner who does not send in a ballot to reject, his failure to do so is counted as an affirmative vote on the budget and is added to, therefore, to those who have rejected it in the budget. The net effect of that has been there have been occasions when the -- on the voting itself without involving the votes of the owners who did not send them in would -- would result in more people rejecting than people who actually supported it but together they overcome the rejection. And this is sometimes said and it's supposed to be very democratic.

Our problem is we do not think it's so that the process we use and we have attached to our papers here today an elaborate justification and designation and deliberation of how we go through this process. If we fail -- if we change the laws that now exists, we are opening a situation where the ability to reject a budget becomes way too easy.

Our position is that people who want to reject the budget -- the budget invariably have not participated in the process or if they have their views have been rejected by vote after vote. To allow this to happen, is to expect -- is to say to us that our democratic process and representative government is not working. And that slowly but surely we're very afraid the process would -- would result in a gradual deterioration of budgeting process and reduction of budget that require us to keep our condominium upkeep.

Thank you.

REP. HOLDER-WINFIELD: Thank you.

Any questions?

Representative Smith.

REP. SMITH: Thank you, Mr. Chair.

And good afternoon, sir, and thank you for coming to testify. Just a quick question, I just wanted to make sure I understood your testimony. Is your testimony that if -- if a condominium unit owner fails to register a vote for the budget that is deemed to be an acceptance of the budget or a denial of the budget?

CHARLES MARCOUX: No. The laws -- the Connecticut State Law exist today designates that a -- that a owner who does not send in a vote on the rejection process is, in fact, approving. The assumption by law that you're approving it and that -- those votes of people who are not participating in the balloting are added to those who did and who rejected the rejection.

REP. SMITH: So then if I own a unit and, you know, I fail to -- to pay attention, I fail to vote. My failure to do anything is deemed in an acceptance of the proposed budget as it was submitted to the association?

CHARLES MARCOUX: I'm sorry. Is what? I'm sorry. I didn't understand your last question.

REP. SMITH: My failure to do anything is deemed an acceptance of the budget as proposed to the association.

CHARLES MARCOUX: Yes, essentially, yes. And that's an assumption that the state law makes, and we think it makes much more sense to assume that given the process that we go through and the involvement of our -- of our owners.

I might also add -- I forgot to mention this -- that in the midst of all of that there are three open forums that are established for the purpose of inviting in all our owners. That forum -- those forums are also televised to all of the rest of our people who can't make the forum in which an elaborate discussion point by point and input from those people are taking into consideration by the board of trustees, again, before they vote.

So there's an active of involvement all of the way throughout as much as we can possibly do for our owners, and in the end, our representative

government has to represent all of us and make the final vote.

REP. SMITH: Fair enough. It sounds like you have an exhaustive process and a very good process.

Is the -- and I haven't taken a closer look -- a close look at the proposed bill so I apologize for that, but is the proposed bill now saying that if you fail to send in your vote, that would be deemed a rejection; is that what I'm hearing?

CHARLES MARCOUX: Well, it works this way, is that what it would do would be simply to count the votes that are actually sent in for or against rejection, period. And with -- I might add without any quorum relating to how many people overall have voted at all, which is a danger beyond measure if there's not even a quorum articulated. But the problem is it treats the rejection vote as if it were the only thing that mattered. It does not -- it is the last step in a very involved process, and it's in there and it's a good step because by some reason unbeknownst to any of us who watch that process, there -- the -- everyone went astray and it was something very bad. Well, if 51 percent of our people by voting or by not voting want to reject it, it would be rejected and we start over. That is a disaster. We will have spent four or five months in it. We have just rejected a budget and there's nothing to replace it. It is now September of the year and our fiscal year begins October 1st.

REP. SMITH: Sir, your points are well taken.

I appreciate your testimony.

CHARLES MARCOUX: Thank you.

CLAIRE CAIN: Absolutely. And that connectivity I was talking about, you know, linking all kinds of trails is, you know, really very important, and it links communities in a unique way.

REP. BARAM: And in your reading of the proposed legislation, did you see any definition of sidewalk as opposed to any other kind of paved area?

CLAIRE CAIN: No. I don't think it was very clear.

REP. BARAM: Thank you.

SENATOR COLEMAN: Are there others with questions?

If not, thank you again, Ms. Cain.

CLAIRE CAIN: Thank you.

SENATOR COLEMAN: Scott Sandler.

A VOICE: (Inaudible.)

SCOTT SANDLER: Mr. Chairman, members of the committee, thank you for your attention. I'm Scott Sandler, a member of the law office of Perlstein, Sandler & McCracken, located in Farmington. My office focuses on the representation of condominium and homeowner associations, and I personally have been involved in the representation of associations for well over a decade, and my office presently represents nearly 500 associations throughout the state of Connecticut.

HB 5511

I come to you this morning to speak in favor of Raised Bill Number 5536. From the perspective of an experienced technician, one who is very familiar with the workings of Connecticut law and its impact on the operations of

Another bill up for discussion at today's hearing is Raised Bill Number 5511, CONCERNING THE APPROVAL OF BUDGETS AND SPECIAL ASSESSMENTS BY ASSOCIATIONS. I do have some concerns about the current language of the bill, although I am more than happy to provide some substitute language to address those concerns. As I understand it, the bill was drafted with the larger community in mind, specifically, a community, like Heritage Village, where you have approximately 2500 unit owners. But Connecticut communities generally are not that large in size. They often have 100 units or less. And this bill could have a substantial negative impact on the ability of those communities to adopt adequate budgets, and at this time, I'm available for any questions you may wish to ask.

SENATOR COLEMAN: Are there questions for Mr. Sandler?

Seeing none, thank you very much.

SCOTT SANDLER: Thank you for your time.

SENATOR COLEMAN: Karl Kuegler.

KARL KUEGLER: Good afternoon, Senator Coleman, and members of the Judiciary Committee. My name is Karl Kuegler. I am with the manage -- property management firm of Imagineers, LLC. We manage 156 communities within the state of Connecticut, comprising over 14,000 condominium units. Our company has first -- first started servicing condominium communities 31 years ago. I've been involved in the profession for over 22 years, currently. I would like -- I'm here today to raise concerns over Bill 5511, regarding the ratification procedure of condominium association budgets and special assessments.

I would like to point out one very specific difference or misunderstanding, I think, that occurs in understanding this particular bill. Condominium board of directors, which are democratically elected to serve their communities are charged with the responsibility of creating these budgets for associations. The associations that will most greatly be impacted by this particular budget are those that were created before 1984. The board has a responsibility and obligation to create these budgets. Prior to '84, communities did not have a say in what the budget outside of electing the elected officials. The boards only had an obligation to present the budgets or those special assessments of greater than 15 percent or, in that case, any special assessment.

The change that took place in July of 2010 brought even pre '84 communities in line with what had been in place for post '84 communities, which is a ratification procedure, which provides a level of safety that if a board does something that is not in the interest of its community and 51 percent or greater than the majority of the community believes that, they have the opportunity to repeal that. My experience had been in communities that did not have this provision, pre '84 communities, the only other recourse was to remove the board of directors and that sometimes was not healthy for a community's operation. The boards have an obligation to present a budget that is adequate to be able to meet the needs of their community, as described within their governing documents. To be able to have boards where they're in a predicament where they can't do that, or they're in fear of budgets being turned down all the time, I think it, at times, causes a board of directors to refrain from proposing a budget that adequately meets their needs.

I think the current environment within our condominium associations lend some credence to that in that even some of the post '84 communities are now dealing with major assessments, are dealing with loans because, over the years, they haven't put away adequate funding to be able to fund those future capital expenditures. Just because an association and its members don't agree to put away the money that needs to be put away, doesn't stop the roof from decaying, doesn't stop the asphalt from cracking, or the boilers from breaking down. When you deal with issues of, you know, natural issues, like we dealt with this last year, you have increased need to be able to fund those different expenses.

One of the other concerns is that there associations were going on getting loans. One of the other aspects of this bill actually makes it far easier to get loans. My question would be, if associations can get loans much easier but how are they going to fund those questions - - those expenses to serve the debt service going forward. I provided written testimony that goes into greater detail to some of the concerns that we have over this bill and I'm happy to ask -- answer any questions that you may have.

SENATOR COLEMAN: Are there questions?

Representative Smith.

REP. SMITH: Thank you, Mr. Chair, just quickly if I may.

Good afternoon, sir. The current statute provides that there need not to be a quorum at these voting meetings. I'm just wondering what your opinion on that, whether you think it's a good idea or bad idea?

KARL KUEGLER: The way the bill, as I understand it, is presented now, it would remove that quorum requirement for the associations. There would not be a quorum. My experience in the 22-plus years is board -- or annual meetings are poorly attended. I wish more people did attend because they would be better informed about the governance and what's going on in the community, but the concern is that the budget would end up being decided by a very small group. Most associations provide a lot of opportunity to be able to vote. Not everybody can make it to that particular night in an annual meeting. I know I've always had association provide proxy forms in many cases with the ability to actually have a ballot so they can vote on the budget to make it easier for them so their voice can be heard.

REP. SMITH: You know, last session and this session, I received a ton of e-mails about condominium associations and the problems that exist under the current framework, and I'm just thinking to myself as I'm hearing the testimony today. If only the people who have sent these e-mails actually participated in the meetings, perhaps, we wouldn't have as many problems as we're having. So, you know, I know apathy is everywhere and sometimes you simply just can't make the meeting. I appreciate that and a lot of times you can make the meeting but you just don't feel like going. And now the people who do volunteer their time, end up taking control and it may not be what you want, but if you don't participate -- it's just like if you don't vote, don't complain about Representative Smith that type of thing, you know.

So -- I don't know, I'm anxious to help out the unit association and make this a better law. I'm just -- I would love to see some more participation though by the unit owners and actually doing -- bringing their end of the

bargain to the table, so it's just an observation.

KARL KUEGLER: My concern is, you know, in many cases, this is their largest investment and this is their home, more importantly, this their home and you would think there would be more involvement. And, you know, at the end of the day, you want to have your home well maintained and you become part of a group that has to do it as a group. And I guess the challenge becomes - - especially one of the lightning rods with budget ratification or budget approval processes, what the fee is. I recently attended a homeowners meeting where a homeowner came in very upset about the budget because the fee was going up, and I was more than happy to go through the budget with the homeowner so that the homeowner could understand why the board felt it necessary to increase the fees.

The comment to me when I asked had she had a chance to review the budget is, I don't care about the budget, all I care about is the fee that is increased. And I understand the hardship that homeowners have. We all have expenses that have increased. I especially understand this past year, where we had associations with per-unit deductibles for ice damming. We had 1800 units -- over 1800 units in our portfolio that were damaged. Some of those associations are dealing with some financial hardship, trying to deal with those issues. It gets compounded by basements that have flooding that insurance doesn't either exist or is limited. They need -- when the building official's calling or the fire marshal is calling us last winter, saying shovel off your roof or I'm going to evacuate the building, you have a choice but to go do that.

You know, and many of the things that are within the budget, are not discretionary. You know, we have to maintain building insurance; you have to maintain your books; you have to get the lawn cut; you have to do that. Very few of the things are discretionary. And unfortunately, what happens is what becomes discretionary are those future capital expenditures, funding those, or maintaining buildings properly. Adding to this is the fact that a lot of homeowners, although they may feel trapped already in their home because of the current market and they can't -- they're upside down in their unit, the other challenges they're having trouble refinancing and are having trouble selling because the FHA guidelines have come out that are asking or demanding that associations to have as part of their budget a minimum of 10 percent going towards these future capital expenditures. To make matters even more difficult for unit owners to seller unit is the fact that allow lending institutions are adopting those same regulations, even if they're not providing an FHA loan as part of their loan requirements.

So we've been getting a lot of phone calls where associations that aren't doing that, homeowners are stuck. They can't refinance. They can't sell, and in some cases, they also can't get reverse mortgages, so they want to be able to stay in their home. They need to draw out some of their equity; they are stopped. And I'm just concerned what the condition -- if -- if a lot of our associations haven't properly funded so far because they take very seriously -- I've been through, I can't tell you, if you average about 10 board meetings a month over the last 23 years, I've spent a lot of time in board meetings. And boards take very seriously when they're approving a budget, what the reaction of the homeowners are going to be. And I -- and I

mentioned in my testimony, I wonder if, to a fault, because what they end up doing is creating a feeling that everything is fine, but five, ten, 15 years down the line, this big expense is going to come due and we're going to see more of that. We've already begun to see that with some of our communities.

REP. SMITH: Well, thanks for being here today and thanks for your testimony.

KARL KUEGLER: Thank you.

REP. SMITH: Thank you, Mr. Chairman.

KARL KUEGLER: Thank you for the opportunity.

SENATOR COLEMAN: Are there others with questions?

If not, thank you very much.

KARL KUEGLER: Thank you, Senator Coleman. Thank you for the opportunity.

SENATOR COLEMAN: Deron Drum. Darren, perhaps?  
Deron Drum?

David Kelman.

DAVID KELMAN: Good afternoon, Mr. Chairman, and members of the Judiciary Committee. My name is David Kelman. I'm a condo owner from West Hartford, and I'm in favor of HB 5536 and HB 5511, with changes. I'm a former condo association board member, as well as a present board candidate; a longtime volunteer for the state of Connecticut Attorney General's office in the Consumer Assistance Unit; and a member of the steering committee for the Connecticut Condo Owners Coalition, CCOC, an all-volunteer group consisting of hundreds of condo owners from over 100 cities and towns across our state.

In January this year, CCOC surveyed hundreds condo owners, both members and nonmembers, survey respondents confirmed that the problem still exist in many common interest communities despite the good intentions of recent law changes. I refer to CCOC's written testimony, for our survey results. The lack of enforcement of condo laws has negatively impacted the quality of condo owner living experiences for many condo -- unit owners. In a number of associations, the democratic process is broken. Owners describe, in some cases, the property managers and boards who they rely on to maintain their property values and share association records are not doing so even when requested in writing. Some frustrated owners are selling their condos and moving out of state because the situation is so unbearable for them.

Approximately one-quarter million Connecticut condo owners are not treated as equal citizens, do not receive the same assistance from state agencies as other consumers receive in our state -- and please refer to the annual reports of the Department of Consumer Protection and the Attorney General's Office among our 110 pages of testimony. It is perhaps shocking to note that renters in condos have more rights than condo owners themselves. While I favor HB 5536, the community association manager certification bill, I feel it needs more teeth. Given the extent of financial responsibility, a property manager has overseeing millions of dollars for various community associations and in light of recent news articles regarding property manager misconduct and fraud involving, in some cases, very experienced property managers who had stolen over \$100,000 combined from associations in Meriden, New Haven, Branford and Fairfield -- and again, I refer to CCOC's written testimony to those news articles. I feel mandatory

background checks for all property managers must be part of this bill along with stiffer penalties for misconduct and noncompliance. The background checked records should be kept on file with the Department of Consumer Protection as per requirement of certification and be made available online to homeowners. I refer you to Public Act 11-50, Section 11, Subsection b2, in our State's banking laws as a precedent to establishing background checks. No property managers should be grandfathered in regardless of the years served as a property manager. I suggest all property managers who are paid regardless if they are outsourced managers or internal employees be subject to the same certification.

Additionally, I'd like to see all cases involving property management misconduct and fraud posted online on the DCP website for easy access to the public. Our written testimony refers to the province of Ontario Canada, Ministry of Consumer Services as a guide for fine website that can serve as a model for our state.

I believe to maintain certification, property managers should be mandated by law to provide owners, upon request, a certain amount of electronic information per year free of charge, by e-mail, when the records are maintained electronically. I'd like to see this bill mandated providing owners with a copy of the property managers contract, so owners who are paying the property manager's salary know what to expect from their property manager and can identify whether or not a property manager acting according to his or her contract. This connects to the education piece. I recently heard some state representatives, including Representative Albis, talk about in the past. Training certification without reporting

mechanism that is easily visible online and to the public is not sufficient. Transparency will help ensure compliance and should be added to this bill.

I'd like to see this bill also include a written grievance procedure when unit owners have complaints against property managers available on the DCP website and what types of complaints DCP will investigate and mediate. Sometimes I hear in conversation with owners statewide that they receive little assistance from DCP despite legitimate property manager complaints. Perhaps a mediation program run by volunteers, under the guidance of DCP attorneys, can be established with this.

I am also in favor of HB 5511, the budget and special assessments bill with changes. I asked the committee to leave the language in section 47 to 61e, subsection e, as is written in the current law without change. Budget approval and special assessments should be approved by a simple majority of votes cast. Changing the language, as proposed, takes the authority away from the unit owners, which would seriously endanger the well-being of our common interest communities.

Also I urge this committee to add a provision to this bill with an assessment -- that any assessment cannot be approved unless the monies generated by the assessment are maintained in a separate account. Identifying that those funds are to be used solely for the purpose intended. This fund accounting should be clearly itemized so unit owners can easily understand the cost for each item, the contractor selected to do the work based upon at least three competitive bids and eight expected completion date for each item so that owners are protected in the event of overcharges, faulty or incomplete workmanship.

In addition, I urge that some enforcement provisions be added to this bill. As Harvard University researchers and others have verified that for every one complaint a business receives, there are 25 others who would not write in to complain but feel the same way -- please refer to CCOC's written testimony. I believe we have just reached the tip of the iceberg and please vote in favor of HB 5536, 5511 and draft legislation that enforce existing and new condo laws. Thank you.

SENATOR COLEMAN: Thank you.

Are there questions or comments?

Seeing none, thank you for your testimony.

Ralph Monaco.

RALPH MONACO: Good afternoon, Senator Coleman, Representative Fox, and members of the Judiciary Committee. Thank you for the opportunity to appear before the committee. I'd like to comment on Bill 454, an act concerning the unauthorized practice of LAW. My name is Ralph Monaco, and I am the immediate past president of the Connecticut Bar Association. I'm also a private practitioner in New London, Connecticut, at the law firm of Conway, Londregan, Sheehan, and Monaco, where I practice in the area of civil litigation.

The Connecticut Bar Association is well aware of the increasing problem in our state of people masking around as lawyers and providing legal services to unsuspecting citizens. We support increased penalties against people who provide legal services, who are unlicensed, untrained and not regulated by our courts. However, we concerned the bill that is before

Thank you very much.

RALPH MONACO: Thank you.

REP. FOX: Thank you. I'm picking up here so not sure if I got it right. Is Deron Drum here?

A VOICE: (Inaudible.)

REP. FOX: He's already gone.

Kevin Shea is here. Okay. Followed by followed by Karen Kangas -- Kangas. Is she here? Okay. So she'll be next.

Good afternoon.

KEVIN SHEA: (Inaudible.)

Sorry -- I'm here in favor of Bill Number 5511 and 5536 for the property managers. I also would like to ask that the committee and the legislature consider adding additional strength to that in regards to property managers in regard to their education, their testing, and criminal background checks during the licensing and relicensing process of those individuals.

Property managers are very responsible people. There are, in fact, the bankers of every association in Connecticut. They handle, using industry figures, they handle over \$1.3 billion a year. So they're in a very high fiduciary -- fiduciarily responsible position, and they operate almost unregulated.

In our association, I've been a proponent for the distribution of financial information, which is at a minimum in our association, especially when it comes to assessments. We're given a list of things that are intended to be used for

assessments, and we're not provided with any actual cost or vendors that are going to do the work, time frames, the beginning, the end, so forth and so on. So there's no accountability. There's no trackability. There's no way to see what's been, what hasn't been done, what people have actually gotten for their assessment dollar.

As an industry spokesman earlier said, our condominiums are our highest investment that we have. Accordingly, the fees that we pay every month, I see those as investment dollars that should end up back in our properties and in our landscape and in our building. Large amounts of those monies, significant amounts, of those monies don't. They end up -- nobody knows because there's no accountability. As a result of 828 that was passed last year, boards are no longer required to provide annual reports. How it reads now is boards are just required to give us some information. We do get some information, but it's not the right information and it's not appropriate information that is appropriate to be able to follow the finances accurately and accountability -- accountably, to see what's going on with the finances.

Many people do not participate at board meetings or annual meetings. There has been -- there is an environment within private communities that discourages people from doing that. They don't get an open free voice to say what they want to say. If they do, they do it with penalty. We are allowed to -- the remedy that they have is if you want to see the financial records, we have to go to the property manager's office and he has the records. I made a mistake of doing that. I was instantly blackballed from the moment I requested an inspection, board members, present and past, started running around telling people that I was causing trouble. When, in

fact, all I want to do is see the finances, see the books. So that's it on assessments.

Property managers handle virtually everything within the community. They handle the finances; they handle the schedule of the repairs; how the repairs are going to be distributed; who receives those repairs; they handle election proxies, all of the absentee ballots that are voted and a lot of people vote that way, because they really don't want to go to a meeting. They are privy to all that information and none of that information is shared internally with -- equally throughout the association. Much of that is kept private.

So, you know, as I look, you know, at a public citizen, somebody that lives -- that's a homeowner in Connecticut that is not in a private association, you know, the rights and protections that are afforded to both classes of people are very separate and very unequal. We don't receive the same -- you know, we've lobbied for -- we've asked for an ombudsman, and we've been opposed by the -- by the trade associations that -- that are associated with that. Their argument has been that, you know, there's just a few that complain. Well, I'm here to tell you that there aren't a few that complain. There are a few that step forward and take the time and make the effort to take the day off and tell you good people what's really going on. There are many that go virtually and literally unmentioned. They would rather just conform and keep quiet out of fear of not receiving repairs, or, you know, being barred from the community altogether.

There's no -- there's no place for anyone to go to get resolution to, you know, a common -- a common issue, so. Thank you very much. If

there's any questions, I'd be more than happy to answer them.

REP. FOX: Well, thank you. Thanks for being here all day. I know it's not always easy to be here to testify, but it does help a lot to hear your own direct experiences.

Are there any questions?

Senator Meyer.

SENATOR MEYER: Mr. Shea, I'm sorry. I missed some of your testimony. I caught you on television, actually, upstairs.

KEVIN SHEA: Thank you for showing up, Senator. I appreciate it.

SENATOR MEYER: You gave us new language, didn't you, to strengthen this bill. Did you give us --

KEVIN SHEA: I did -- I did not -- I did provide language in regard to the assessment bill. In other words, an assessment really shouldn't be put before membership for approval unless it provides the basic protections that are provided to other homeowners in the state of Connecticut. The cost -- the actual detailed list of things that are to be repaired or constructed or goods or services that are to be provided that are being assessed for, along with the costs associated with that and the vendors that are providing those services. Many property managers are also in the repair business, so there's -- sometimes there are unintended conflicts of interest between a good repair and a bad repair, and a good price and a bad price.

SENATOR MEYER: Okay. And I apologize if you'd covered this, why aren't the boards, the condo

board of directors, or trustees, more accountable?

KEVIN SHEA: In --

SENATOR MEYER: Is there something that we should be doing about that?

KEVIN SHEA: Thank you for asking that question. I don't know how it is another associations. In our guidelines and our bylaws, board members are automatically given -- they are not accountable for anything. They're given complete power of attorney by all of the association members and their held harmless for anything, unless you can -- unless they participate or engage in an activity that's called willful wrongdoing, which is -- who knows. Before you got here, you know, since I've been a condo owner, the only thing that I've really look for was financial accountability within the association of which I'm not provided. And when you do step up and demand financial records, you're ostracized. So board members are -- they get a free ride.

It's the perfect storm for vendors to come in and sit with the board and just say, Listen you're not accountable for anything so sign here. There are business arrangements that go on that are beneficial to the membership, not beneficial to the owners, but are beneficial to the businesses that contract and do business with associations. Not all of them, but it does happen.

SENATOR MEYER: Well, you know, it's interesting, because in most organizations, the board of directors, the board of trustees, has got legal responsibility, and if they break a fiduciary duty, they can be sued and they can be financially responsible. I think that's the kind of board we have to create by law here so

that there is some responsibility. How long is the term of a board member?

KEVIN SHEA: Two years. In our association, it's two years. There are no term limits. And again, property managers, along with board members, handle all of the votes. And at the end of elections, I've requested, you know, to see tally sheets and see what actually happened. There is no verification process so it's just, kind of, like you have to go along with who won or who lost and the right people always win.

SENATOR MEYER: It sounds like there should be removal process to remove a board member who is not acting in the best interest of condo owners.

KEVIN SHEA: There is a removal process, and then again, it's hard to get people to come forward to actually -- condo owners are passive people. They are homeowners. In many cases, they're not professional people. In my association, you know, a perfect example was when you're out of the room, one of the other spokesman on the other side of this conversation, said that you know, this lady came in and argued without looking at the budget. They don't understand -- you know, you put a budget in front of people. They really don't have the wherewithal and the background to really look at a budget and know what it means. Professional people that have been trained, you know, they can look at a financial statement and it does tell a story. We're provided with no financial statements at the end of the year. We have no idea where the money went specifically. So it's -- you know, that's the argument. You know, I have no problem with -- you know, board members are unpaid volunteers. It's a thankless job. I get it. But that doesn't give them or the vendors that they work with, or the attorneys that they work with, the opportunity to not be responsible

about the handling and the comingling of our funds.

REP. FOX: Are there other questions or comments?

KEVIN SHEA: Thank you very much, gentlemen.

REP. FOX: Thank you.

Karen Kangas -- Kangas -- Kangas, followed by Janet Brooks.

KAREN KANGAS: Good afternoon, members of the Judiciary Committee. My name is Dr. Karen Kangas. I am the executive director of Advocacy Unlimited in Wethersfield, a group that promotes peer support and recovery for people with mental illness within the community. SB 452

Over the years, I have had many positions as teacher, educational consultant, patient advocate, director of residential services at Wethersfield Mental Health Association, and director of community education and communications for the Department of Mental Health and Addiction Services in Connecticut. Also throughout my life, as many of the people in the room might know, I have battled with bipolar disorder, for which I take medication voluntarily. So I'm in the position of being both the provider and the consumer within the mental health system in Connecticut. And -- and it is in this combination of roles and my length and extent of experience within them that leads me to have very serious concerns about any bill that would introduce outpatient commitment to Connecticut.

I am totally opposed to this proposal. Much of the recovery movement, in the country, actually, in which I have played an active part, has centered on giving true voice to people in

any impact on the State, as well, or is a separate set of rules?

JANET BROOKS: Yes, because the Claims Commission -- the claims commissioner is looking to see if the State, were it a private party, so that's why when I was in the state government, we kept track of the changes and the case law that was developing under the landowner liability statutes, because it so directly affected what the exposure of the state was.

REP. BARAM: So, therefore, notwithstanding the proposed legislation that we're looking at, there are other statutes, other avenues, that permit suit against a municipality under various circumstances where it may rise to recklessness or willful, malicious or failure to act if there is notice of a defect.

JANET BROOKS: That's exactly correct.

REP. BARAM: Thank you very much.

JANET BROOKS: Thank you.

SENATOR DOYLE: Thank you.

Any more questions from committee members?

Seeing none, thank you very much.

The next speaker is Marianne Derwin, and Mark Buri, then attorney Jon Schoenhorn, and Pamela Spiro Wagner.

Marianne's here.

MARIANNE DERWIN: Honorable members of the Judiciary, good afternoon. I'm Marianne Derwin from Heritage Village, and I'm here to respectfully

HB 5511

request that you vote in favor of subsection a and subsection b of House Bill 5511.

I, respectfully, request that you reject subsection e, of House Bill 5511 and either keep the existing language that is in the state statute at this time or create language that tracks with section a of the bill that says a majority of the unit owners voting or a greater number, if specified in the declaration, votes to reject the assignment, the assignment shall be rejected. If a majority of the unit owners voting, or a greater number specified in the declaration, vote not to reject the assignment, the assignment shall then pass.

It seems to me that for the average unit owner, who must live with these statutes and to the best of their ability comply, it is incumbent upon everyone to try to have concise uniform and clear language. Thank you so much.

REP. FOX: Thank you. Thank you for being here and for testimony.

Actually, we do still have one public official left.

Senator Looney, and you'll be followed by Mark Buri.

Is he here? Okay.

Good afternoon, Senator.

SENATOR LOONEY: Good afternoon, Mr. Chairman, Representative Fox, Senator Doyle, members of the Judiciary Committee. My name is Martin Looney. I represent the 11th Senatorial District: New Haven and Hamden, and I'm Senate majority leader. And I'm here to testify in support of two bills that are on the committee's

SB 446  
HB 5555

My basic -- I'm just going to read a couple quotes and then I'm going to end with what I'm going to say right now, kill this bill. Okay. Respect the side effects that are experienced with psychotropic medications and help people find medication treatment that works for them without these horrible side effects, respect the consumer's experience of the meds and interactions and impact on their overall health. Peer support works and outreach works, and that's from someone who has been there and done this. It's good -- it's good for peers to reach out to others. Coercion does not result in wellness. Taking responsible for your own health does. It's a process.

On Senate Bill 452 -- on the buzzer -- kill this bill.

SENATOR DOYLE: Any questions from the committee?

Seeing none, thank you very much. Thanks for being direct in your opinion.

The next speaker is Doreen Camp. Is Ms. Camp here? Yes, she is. Then Karen VaKharia, Gerry Arel, Linda Lentini, Kenton Robinson.

Ms. Camp.

DOREEN CAMP: Good afternoon, members of the Judiciary Committee. My name is Doreen Camp. I'm from Meriden. I am a condo owner, and I am a previous board member to a large association. I'm here to testify on two bills, HB 5536 and HB 5511, both of which I'm in favor with.

In regards to HB 5536, I am in favor with a few more provisions that need to be added for the unit owner protection, mandatory background and credit checks for the property managers,

security checks, and other managers who are paid to be subjected to the same certification and training and background checks.

I do have several concerns. I am one of the unit owners who was impacted last year by a property manager who had -- we actually terminated him for misappropriation of funds. I, currently, now live in a huge association, and we are now self-managed by a property manager who was our maintenance supervisor for 30 years. He has no education, no broker's license, no real estate license, and now he is responsible for 294 units, and we are all 294 homeowners dealing with this inappropriate skill set. So it's a huge concern because he's handling a huge financial obligations, so I wanted to enlighten you with that.

Being a board member and a previous board member, I do believe in favoring HB 5511, and I do feel that it is necessary to have a quorum. You know, the new state laws that went into effect a few years ago offer availability to a lot of the unit owners to be teleconferenced in to a lot of these meetings, making it a little bit more user friendly for the unit owners to be an impactful part of the decision-making process.

I have a few things to share with you that I've actually been impacted with as a board member. I'd like to share my experiences with you, and I bullet it -- I put it in a bullet formation. There's the -- a board of five, which frequently only one or two members were making any decisions. Within our bylaws, we need a quorum; decisions being made outside scheduled meetings and in closed session meetings; special meetings, added items not noted to the agenda; board refusing to conference board members and the residents into meetings; legal letters from

residents' attorneys -- own personal attorneys -  
- ignored by association members and association  
attorneys; board members denied copies of  
delinquency reports; amenities not maintained  
and neglected; president being the only one to  
handle minutes of meetings when it was the  
secretary's responsibility; totally elimination  
of all boardwalks; and special assessment  
delinquencies not named or assessed; late fee  
and finance charges.

It's critical for condo owners who have suffered  
from association mismanagement and  
irregularities and procedures to have the  
legislative support for resolution. There  
should be recourse and accountability.

In today's society, it's unacceptable for human  
beings to be bullied. It's unacceptable for  
condo owners here in the state of Connecticut to  
be bullied by their associations, property  
managers or legal attorneys. It is clearly  
evident this kind of behavior cannot be  
tolerated. We need reform, resolution and an  
ombudsman or a place where we can seek  
resolution. I thank you sincerely for your  
support and your attention.

SENATOR DOYLE: Thank you.

Any questions from the committee members?

Seeing none, thank you very much.

DOREEN CAMP: Thank you.

SENATOR DOYLE: The next speaker is Karen VaKharia.  
Is Karen here?

KAREN VAKHARIA: Yes.

SENATOR DOYLE: Hi, Karen, okay.

KAREN VAKHARIA: Good afternoon --

SENATOR DOYLE: Just one sec, then Gerry Arel, Linda Lentini, Kenton Robinson and Andrew Bloom.

Thank you, Karen.

KAREN VAKHARIA: Good afternoon, and I would like to thank you for the opportunity for me to speak up. I also live in the same condo complex that Doreen Camp, who spoke before me. And I support all the causes that she has put forward before your committee here, and, also, I have one question and comment, you know, that even in this country there is, like, a president or a leader who is in office for a term and then another term if elected again. How is this person who is a president of -- of condo association been in there for 20 years and, like, Doreen, before me, mentioned bullying the condo and unit owners into going along with the decisions solely made by her, at times. I'd like to thank you, again, and if there is any questions.

HB 5511  
HB 5536

SENATOR DOYLE: Thank you much.

Any questions?

Seeing none, thank you.

The next speaker is Linda Lentini. Is Linda here? Yes, she is. Kenton Robinson, Andrew Bloom, Monica Fore, Linda McCarron.

Linda, thank you.

LINDA LENTINI: Good afternoon. My name is Linda Lentini, and I'm here to oppose involuntary

SB 452

protected from the board members making decisions that, you know, 1997, we had embezzlement of, you know, thousands -- oh, I think 10,000 to 50,000 dollars, and now we had -- we just recently had another one where -- it's the same board members, that it occurred again. We just need some -- some kind of law to, you know, protect us, as unit owners, and make these people accountable and fined for what they've done or what they have done. And, you know, as unit owners, we don't have the money to go get a lawyer ourselves as the boards do. And so I don't know what more to say to that right now.

REP. ALBIS: Okay. Thank you very much for that answer.

Thank you, Mr. Chair.

SENATOR DOYLE: Thank you.

Next speaker is Carmelinda Tardif, then Robert Davidson, Dr. William Begg, Erin Oleynek, and Angel Rivera.

CARMELINDA TARDIF: Hi, good afternoon. I am Carmelinda Tardif. I'm a unit owner, and I approve the bill, HB 5536, with mandatory background checks, and I also approve HB 5511 with -- subsection e of this bill should remain unchanged from the existing law. Removing the existing language of the Section 47-261e would seriously endanger the well-being of our common interest community.

I have a story that I would like to share. I live in Wethersfield in a condominium complex where the president of the association -- not only is he the president. He is also the superintendent, and he also says if we have any complaints, and we -- we will take it up with the -- with the management company. He answers, I hire them and I can fire them. So we have no

recourse. We can't go anywhere with our complaints. He also appoints everybody that's on the board. He has hand-picked and he appoints them. I -- I ran for office. I wanted to be a board member. He did not include my name on the ballot. When I got there, he would just add my name that this person wants to run. After everybody already had submitted their -- their votes. And the proxy, I was not able to get a list of the -- of the investors so I could not contact anybody outside of -- of the people that I knew.

And I said, This is election fraud.

And he said, No, it is not. And he shut me up. And I wanted to take it over to Channel 3, one of the stations to complain of what's going on in my complex. Also -- what also what happened is back in June, they were replacing a roof, and four condo units were -- well, not destroyed, but they had to rebuild them. They're only, like, 625 square feet. And I moved out on August 16th, and I told them that I had \$12,000 loss of use with my insurance policy. And they said to me, You will be backed by the end of October. Well, October came and left, and I did not move back until January 10, 2012.

I told them that I'm paying out-of-pocket, and they didn't care if I was paying out-of-pocket, which I end up paying \$2800 out-of-pocket, and they said to put a complaint or put a -- try to get the money back from the roofers. And right now, they're under litigation, and nobody wants to claim fault what happened with -- with this leaky roof that was being replaced. And also -- they also -- when I went there to check my condo and I was about to get the CO, certification of occupancy, on that day when -- when I knew they were coming to do that, I called the Building Department in Wethersfield and I asked them

about the permit on the plumbing that was done across the hall. I -- I said to them, I would like you to find out if the bath -- if the bathtub was included in the permit.

And he said, no, it is not. He said, Are you sure that was a brand new tub?

I said, Yes. Would you please check into that, I think there's something going on they don't want you to see.

He went to check on it that day when he was supposed to issue me a certificate of occupancy and found out that they -- that I was right, that they did install this tub illegally because it should've been inspected by the build -- by the builder inspector which was not, and when I -- when I got to the -- my condo that day to open my door and see what was going on, they had changed my lock due to the fact that I squealed on them. So I called the police and I told the police what happened, and he says, Well, this is a civil matter, I can't do anything for you.

I went down to the Building Department, and I asked them what happened. I skipped where I had found that it said, Danger, do not -- do not enter. That's when I called the Building Department before I called the police to find out why they put that notice there, and they told me they did not put that notice there, that the person that's in charge of your construction put that notice there. That's when I called the police and he found out that they -- they said - they told the police that I was interfering with the construction.

I said if that's the case that I was interfering with the construction, why wasn't I told this earlier. All of a sudden I'm interfering with the construction when they're giving me a

CO on my condo and they're changing my locks.  
Is it because I squealed on them?

And he says, Well, lady, I was very lenient with them. They are coming down to reword the permit.

Well, I didn't like that answer, because they shouldn't have been lenient with them. They should've either fined them or made them have that tub inspected. The things that are going on on my -- in my condo are unacceptable. And people there, basically, want to leave, want to run away because nothing -- nothing is being done. No money is being spent on elevators, the elevators -- the ropes are about to -- to break. They're all frail. There's leaks and they're blaming the -- the owners of the condo while it's an internal problem because these were apartment buildings. So we really don't have our own system. We just have the heaters in each -- heating system in each apartment which is -- in other words, we only take care of what's inside of our apartments so, but if the -- if the leaks are coming from the plumbing that -- that follows all the apartments, they should be the ones fixing it. They're asking us to fix our own. And that's not solving it because it's one after the other that eventually is rotting away, and they -- they don't want to take responsibility. It is a horror. And I can't even get on the board because I am too proactive. How do I stop this man?

SENATOR DOYLE: Okay.

Any questions from the committee?

Seeing none, thank you for taking the time to come and displaying your patience today.

CARMELINDA TARDIF: I appreciate it. And I hope something will get done as far as the legislation is concerned.

SENATOR DOYLE: Thank you.

CARMELINDA TARDIF: Thank you.

SENATOR DOYLE: Next speaker is Robert Davidson. Robert is here. Then Dr. William Begg, Erin Oleynek, Angel Rivera, Patrick Alair.

ROBERT DAVIDSON: Good afternoon, Mr. Chairman and members of the committee. I am Dr. Robert Davidson. I'm the director of the Eastern Regional Mental Health Board and president of NAMI Connecticut, that is, the National Alliance on Mental Illness Connecticut.

SB 452

Outpatient commitment is like prohibition. A well-intentioned, but ineffective solution to a problem we're lucky enough not to have much of in Connecticut. Many people don't want to take medication, some of whom have mental illnesses. But we have better ways than forced medication to persuade them to do it.

Outpatient commitment is popular in states with bad mental health services because it makes providers give the meds, as well as making the client take them. In some places, it's the only way to get off waiting lists and into programs. If you can't get services here, which is much less likely, we have an effective grievance procedure. We have regional mental health boards and a whole array of consumer advocates, many of whom are here today, to help. A judge cannot make you take meds. He can issue an order, but he will not track you down and then hold you down while you comply. That is up to a treasurer, most of whom are at least ambivalent about forced medication. Those who are not

**JOINT  
STANDING  
COMMITTEE  
HEARINGS**

**JUDICIARY  
PART 16  
5004 – 5323**

**2012**

CARLOS MARTINEZ: How you guys doing in the Senate?  
I'm here to talk about a peso on the Bill 452.  
I am a young adult member, and I'm coming to you  
guys today. It's not right to pass the bill  
because we have our own rights to make our own  
choices, and basically, the bill will be forced  
by the law to take medications. And basically,  
it will be that the police will be able to come  
to our homes, and friends and families will see  
everything. And taking medications voluntarily  
is our free will and we're allowed to, you know,  
take our medications and have support from  
counselors and stuff like that to move on in  
life, in a way increase self-esteem and respect  
with the counselors and all that stuff. Thank  
you for listening and kill the bill.

SENATOR COLEMAN: Are there questions for Carlos?

Thank you, Carlos, for being here.

CARLOS MARTINEZ: Thank you. It was my first time so  
I was kind of nervous.

SENATOR COLEMAN: Didn't show.

CARLOS MARTINEZ: First time, but, you know, thank  
you.

SENATOR COLEMAN: Good job, Carlos.

Lorna Lewis.

LORNA LEWIS: Good afternoon, members of the  
Judiciary Committee. This is my first time  
testifying so bear with me. I'm here to present  
testimony in opposition to the General Assembly  
Bill 5511. My name is Lorna Lewis. I serve as  
president of Union Square Condominium  
Association in Norwalk, Connecticut. Our  
association is comprised of 42 units and was  
formed prior to 1984.

Under the existing law, a proposed budget and certain special assessments are deemed approved unless rejected by 51 percent of unit owners with a common interest -- within a common interest community. Raised Bill 5511 proposes the budget and special assessment of a common interest community approved by a majority of the unit owners voting, instead of the majority of all unit owners without -- with no minimum quorum required. Changing the Uniform Common Interests Ownership Act from its current version will have an adverse impact, therefore, creating more disconnect between boards and the rest of the association. It may allow certain minority -- a certain minority of unit owners to have disproportionate influence on whether a budget is ratified. Especially if proxy voting is permitted by the declaration of the association.

Recently, our -- well, my association went through a budget process which took three months to get ratified. It was a bit of a messy process and the fact that it did take three months, but it actively involve the community as a whole. When our budget initially rejected, it was basically rejected twice. When it was initially rejected in January, they asked us to get back and relook at it and asked us could we, basically, see if we could not increase our common charges because that's basically what was at the heart of the issue. We relooked at it, we came back with a reduced increase, they rejected that again. It was a very vocal, well attended meeting. We listened to people and we heard what they had to say and we did try to make a compromise with them.

After the first two budgets were rejected, we came back with a third proposed budget, and that was actually approved just recently. And, actually, during that meeting, only -- only --

actually only four unit owners showed up. So it's -- I think that the actual -- the way the law is being proposed now with having the majority of the people -- of the owners attending meetings to vote on a budget I think that's actually unfair, because it basically limits the democracy of our association. And I think that even though people don't participate and there is a certain amount of apathy in condo associations, people are getting notifications about when meetings are occurring, when budgets are being composed and the things we are doing. So I think changing the law and actually limiting the amount of people that would be involved in ratifying the budget will actually take us back before the actual law was in place that came effective 2010.

So -- and that's basically what I have to say.

SENATOR COLEMAN: Thank you for testimony. You've also been here a long time. Thank you for your patience. We appreciate that.

LORNA LEWIS: No problem.

SENATOR COLEMAN: How many units are there at your condo?

LORNA LEWIS: We have 42 units.

SENATOR COLEMAN: Forty-two. And you may have said this but what was the attendance at the last annual meeting?

LORNA LEWIS: Last meeting, we -- well, if you include the board, we had nine unit owners show up.

SENATOR COLEMAN: Including the board?

240  
lg/cd/gbr JUDICIARY COMMITTEE

March 29, 2012  
10:00 A.M.

LORNA LEWIS: With the board, the board of directors  
can also vote on the budget.

SENATOR COLEMAN: Yes.

LORNA LEWIS: So we had a total of nine unit owners  
actually in attendance at the meeting.

SENATOR COLEMAN: How many board members?

LORNA LEWIS: We have five.

SENATOR COLEMAN: So there were more board members  
than there were unit owners?

LORNA LEWIS: Yes, yes.

SENATOR COLEMAN: Okay.

LORNA LEWIS: And we actually did not receive the  
amount of ballots that we didn't -- that we  
received previously. So it was, you know, it  
was, basically, like an untold or consent to the  
budget that we proposed, which was I think at  
that time it was actually a 5.2 percent increase  
versus the 8.6 increase that we initially  
proposed, so I don't know whether we wore them  
down or what, but? But, I mean even though --  
as I say, even though the process was long, it  
was still involved the entire community. And  
the community did know what was going on, as far  
as, you know, where we were in the process.

SENATOR COLEMAN: What was the outcome of the vote  
when the nine members attended?

LORNA LEWIS: Well, we had nine actual yeses on the  
budget, and we had eight no's -- eight units  
actually rejected the budget. And then we had  
--

SENATOR COLEMAN: Were the eight votes by proxy, the eight no votes?

LORNA LEWIS: They weren't by proxy. We had no proxies this time. We actually had -- people either faxed in their ballots or brought it in personally so -- and then the remaining units, we received no answer.

SENATOR COLEMAN: Okay. Are there any other questions for Ms. Lewis?

Seeing none, thank you -- oh, I'm sorry.

Representative O'Neill.

REP. O'NEILL: Between the start, you basically described a process which sounded like something very familiar to me which is how local school districts budgets get approved and sometimes town budgets get approved. You start out with a lot of people in attendance at a meeting. Was a majority of the total unit owners, were they attendance at the meeting.

LORNA LEWIS: At the first meeting in January, yes, because the budget -- we hadn't had an increase in three years, so we expected to have a larger turn out, but there was such opposition to the increase, you know, that was probably what caught me offguard as the president. But it depends. If you propose a budget with a change, or incorporates some kind of increase, you're going to have more participation. If you basically propose a budget and there is no increase, no one comes. I mean, you have less participation.

REP. O'NEILL: Do you remember roughly how many people out of the 42 unit owners showed up?

LORNA LEWIS: We had enough for a quorum. We had a about representation of 22, 23.

REP. O'NEILL: What was the vote on that one?

LORNA LEWIS: The vote on that one was -- since we have 42, it was 22 that actually rejected the budget so that took us to the 51 percent. So either they sent in by via fax to our management company, or they sent it by proxy, or they actually showed up.

REP. O'NEILL: Okay. And there was another occasion, you revised the budget and resubmitted it.

LORNA LEWIS: Yes. We had another meeting the following month with the reduced increase and they actually came. The same amount of people came, same owners. They rejected that budget, as well. There was -- we had a lot of proxy voting there actually, which I thought was unusual because we never had that many. That -- probably that amount of proxies before in my experience.

REP. O'NEILL: Okay. And then -- after the first vote or perhaps in lead up to the first vote even, did you -- but especially after the first vote, did you talk to the people who did not vote?

LORNA LEWIS: Yes. Well, yes. You know, I have always encouraged people to communicate with the board, communicate board members. Let us know how they feel. And, you know, we actually did have some people that by the time we got to the third meeting had changed their minds -- had changed their vote actually, or, you know, at least didn't reject the budget because they understood --

243  
lg/cd/gbr JUDICIARY COMMITTEE

March 29, 2012  
10:00 A.M.

REP. O'NEILL: But, I guess, I'm wondering about the people who didn't show up at the first meeting.

LORNA LEWIS: Right.

REP. O'NEILL: Did you speak with any of them saying, you know, asking what their opinions were, communicating, finding out whether they were for the budget, did they just assume that not showing up was the same as a yes vote, and therefore, they didn't show up, or they just were just indifferent. What was their story?

LORNA LEWIS: I think I probably ran into more indifference than actual enthusiasm about coming to the meeting or not coming to the meeting. You know, we -- usually, as always, we always have more people not showing up versus showing up. It's just kind of the way it goes. And when you do talk to those people if you see them, you know, throughout the day, you know, usually you kind of somewhat get an apathetic reaction to whether they are going to attend or not. And that makes it very difficult because then you can't really explain why you're proposing certain things to the association, if they are not in attendance at the meeting.

Basically, it's very black and white. You know, do they pay their common charges and that's that, if you raise the common charges all off a sudden, it's like, you know, we have to fight. But it's, you know, not really looking at the grander picture of things.

REP. O'NEILL: Okay. And how much did you reduce the budget between the first one that failed and the last one that passed?

LORNA LEWIS: Well, we went -- looking at dollar amounts, it was a \$25 increase. That was the initial increase that we had, and we actually

got it approved with a \$15 increase to our condo charges.

REP. O'NEILL: So that the amount of the increase in common charges from the original proposal, it was reduced, sounds like about 40 percent.

LORNA LEWIS: Yeah, if you go from 8.6 to 5.2, I believe it's, you know, percentage wise, I mean it's was, you know, two points.

REP. O'NEILL: See, I'm the proponent of the piece of legislation 5511.

LORNA LEWIS: Oh, okay, okay.

REP. O'NEILL: And it arises out of the situation where in some places including very large condominium. Yours is one of the smaller ones, although I'm sure there are smaller ones than 42, but there are about 2,500 units in Heritage Village in Southbury, and when they had to vote -- last time they had a vote -- I keep not remembering the numbers precisely, but it's something like -- 900 or 1000 maybe more votes no, and in fact, probably more like 1200. About 1200 no votes and about 500 yes votes, and they failed to defeat the budget by 100 votes, which is more than double the size of your condominium. But what the statute that we have no presupposes is that all the people who don't vote should be counted as yes votes. There is a big debate -- and I think, perhaps, knowing how we know about how people vote for other offices, you know, for public offices, and local referendums on everything else in their lives. The people who don't show up are not necessarily in accord with what's going on, they may not be violently opposed to it. They are just completely oblivious to it to a large extent. They even may be opposed to it, but they are just not willing to make the effort or they

don't have the time, or whatever their reasoning is. And the concept behind this bill is that just as we, when we vote for an elected official, all the nonvoters are not counted as votes for the incumbent. As if, you know, in order to get rid of an incumbent, you have get 51 percent of all of the registered voters. All you have to do is get 51 percent of the ones that don't show up or rather the ones that do show up at the vote. So -- and I really appreciate you're coming and testifying and answering questions because I think what your experience illustrates is that, while this can be a difficult process on the leadership of the condo board -- and you're not getting paid for it, then neither are the local finance boards across the state of Connecticut, or the boards of education. They have to go through long hours of trying to get budgets adopted and explain them to the people, and so forth. That it's a kind of -- it is a political process, basically, that in your case, it ultimately did work. Now, when this budget was adopted, what was the big thing that was driving the increase in the fees?

LORNA LEWIS: General increases in day-to-day expenses. We also have been on this track for the last few years doing some capital improvements on the property. They were well needed. And, you know, people -- you know, the association, rather, they enjoy the improvement as long as you don't increase the common charges. But the increase in common charges had nothing to do with the capital improvement so much. It really just had to do with just keeping up with our day-to-day, you know, our day-to-day expenses: Trash removal, water, you know, water, the rates on the use of water went up exponentially. It went up a lot for our community over the last year or so, you know, ground maintenance, super, you know, and just

paying our management company. Those fees kept going up but our -- the revenue that we bring in remained flat. So we managed for a long time and managed well, but it got to a point where, I mean, assessing things, as a president, I didn't want make -- I wanted to make sure that we were keeping up. I didn't want us to get behind. And I understand increase is hard, you know, no matter what the amount is, but, you know, you want make sure that you're keeping up with your costs. So you don't -- two, three years down the line, you realize, you know, you're in hole and you can't really pay people the way you need to. So --

REP. O'NEILL: As I said, I think this is a political process, and part of that is to inform them, the people that are going to be paying the bills and receiving the benefits as to if you want your trash picked up, you know, once a week instead of twice a week or twice a week, or whatever it is. But whatever the rate is, every other week instead of every week, you can save some money but this what you're going to have to reduce in terms benefits or services that you are getting, and that is part of kind give and take of what is essentially a political community, which is what a condominium has become over the course of the last 30 years, as the laws have been changed. It's moved from being pretty much like co-owners of a building, where everyone gets a veto on everything. To majority rule, and then here the question is how we count the votes exactly, because depending on how you count the votes, you produce different results.

I guess what I'm saying is, I think your experience is illustrative of what I think the outcome will be, if this bill passes. In other condominiums where there, perhaps, are larger numbers of people, to get 22 people to show up at a meeting is probably not that difficult.

Although you may think it is because you tried to get 22 yes votes. But, certainly, if you got a thousand condo unit owners, it is a lot harder to get people a majority of them to actually show up at a meeting or to vote in one particular direction, to get the majority of the unit owners to go in a particular direction. So it is possible to work this thing through, but it does add an extra burden for the people trying to run the association.

LORNA LEWIS: Yeah. I think it does. I think that my thought process was is that, you know, there is always this feeling sometimes that the board is doing what it wants to do, or that a certain contingent within the community is doing what it wants -- it's dictating how things are, and I think that, you know, basically limiting the vote to people to show up or turn in their ballot for budget ratifications may actually increase that whole feeling among maybe the rest of the association, who's not on the board, or maybe has never been on the board and so I think that's where I'm coming from. You know, not trying to create even more distance than there already is. Obviously, being on a board is never popular, and never will be popular. You know, that's why I am opposed to the legislation, at least, the revision itself, changing it to people actually showing up at the meeting versus making sure expanding out to the entire community, because you are always going to have a certain amount, a certain percentage within a condominium association of people that are not going to participate. They are just going to have that apathy. They don't really, you know, it doesn't -- and I know when we explained the vote about, basically, if you don't vote, it's automatically a yes. Actually that spurred people to make sure that they turned in their ballot marking no. So that's another way to look at. In a way, it does

encourage people to vote in make their voice heard, that's kind of where I stand.

SENATOR COLEMAN: Ms. Lewis, just out of curiosity, how many hours per week do you spend in your capacity as president of the condo association?

LORNA LEWIS: Oh goodness, it depends on what's going on. Well, during this process that we had, I probably -- I probably spent about ten -- maybe ten -- about ten hours a week on average. You know, just depending on what's going on, a lot of correspondents I have with the management company or other board members or through email. And just the prepping and communicating itself, it takes time and getting responses and whatever else and just day to day things. People knocking on your door or people talking about things that are going on the property, if you're walking through the parking lot, they want to show you something. It's somewhat of a round-the-clock type of job, at times.

SENATOR COLEMAN: How many hours did you spend here today?

LORNA LEWIS: Oh, actually, I came in because they were telling how -- where I was on the list -- so I been here for a few hours.

SENATOR COLEMAN: Any other questions?

Seeing none, thank you for your time and your input here.

LORNA LEWIS: Thank you. Thank you very much for listening.

SENATOR COLEMAN: Dominique Thornton?

Paul Acker.

TESTIMONY IN OPPOSITION TO GENERAL ASSEMBLY BILL No. 5511 - AN ACT  
CONCERNING THE BUDGET, SPECIAL ASSESSMENT AND ASSIGNMENT OF  
FUTURE INCOME APPROVAL PROCESS IN  
COMMON INTEREST OWNERSHIP COMMUNITIES

MARCH 29, 2012

Good morning Senator Coleman, Representative Fox, Senator Kissel, Representative Hetherington and members of the Judiciary Committee. Thank you for the opportunity to provide testimony on behalf of Imagineers, LLC ("Imagineers").

I am Karl Kuegler, Jr. of Imagineers, LLC where I serve as the Director of Property Management for our common interest community management division. From our offices located in Hartford and Seymour, we serve about 155 Connecticut common interest communities comprising about 14,000 homes. Imagineers is registered with the Department of Consumer Protection as a Community Association Manager holding registration number 0001 and has been serving Connecticut common interest communities for 31 years. I have over 22 years experience in common interest community management. Imagineers is a member of the Connecticut Chapter of Community Associations Institute. I serve on the organization's Legislative Action Committee and chair the organization's annual state educational conference.

Imagineers has concerns regarding several portions of this bill and is therefore in opposition to it. The following is a summary of some of our concerns:

- o Section 1 (a) & (b) of SB5511 makes a major change to the budget approval process for some common interest communities. The 2009 revisions to the Common Interest Ownership Act which took effect on July 1, 2010, took the procedures for budget and special assessment approval that were found to be effective in the majority of the communities created after 1984 and applied them to all communities including those created prior to 1984. The majority of the communities created prior to 1984 up to July 1, 2010 had provisions in which the Board of Directors approved the operating budget and any special assessments with only the requirement to "present" it to the owners. The provisions used for the last 25 plus years in communities created after 1984 differed in that although the Board of Directors still approved the budget and special assessments, the owners now had the opportunity to ratify the budget and special assessments greater than 15% of the total annual operating budget. (The July 1, 2010 revisions clarified the 15% to be defined as the aggregate of special assessments in any one budget period.) The ratification procedure provides that for the budget and/or special assessment equaling more than 15% of the total of the annual budget to be rejected, a majority of "all" owners must vote to reject the budget or assessment. What in essence the change created was a safety measure to keep Boards from putting in place a budget or assessment that greater than a majority of the community would not be in favor of. The changes proposed in SB5511 would make the vote requirement to reject the budget to equal a majority of those voting at the meeting for those communities that do not have a larger number required in their declaration. In some cases this will be regardless of how many unit owners are in attendance at the meeting.

The drafters of the original language took into consideration that annual budget meetings are typically not well attended especially when the majority of the homeowners are content with proposed budget. By changing the provisions of the law, the budgets will be instead decided in some cases by a vocal minority portion of the community. It does not seem democratic that a Board of Directors that is duly elected by a vote of its community

members and that is tasked with the governance of the community's budget matters, can then be overturned by a vocal minority interest.

It has been my experience in the 22 plus years of serving communities (both created before and after 1984) that Boards take very seriously the anticipated response to the budgets they approve especially when the budget calls for an increase in common fee rates. It may be a reasonable conclusion that Boards have potentially been concerned to a fault when taken into consideration the number of communities which are currently underfunded in regards to capital expenditures which have now come due. Many of the fee increases occurring in communities are not only a result of rising costs, but a direct result of years of underfunding regular maintenance and failure to set aside adequate funding for future capital expenditures. The fact that an association is not funding capital components does not prevent the roof from aging, the boilers from failing and the asphalt roadways from breaking down. Ultimately, an association can only forgo capital repairs so long before there is no choice but to make the repairs in order to maintain a safe living environment and to maintain the values of their homes.

2011 was a year that constituted the perfect storm. Associations began the year with ice damming and snow loads that required unexpected expenses that were not discretionary. The year continued with the tropical storm which caused tree damage and water flooding basements when sump pumps lost power. The October 29<sup>th</sup> snow storm brought further hardship to communities with repeat power outages resulting in basement flooding and extensive power outages. Although there may have been some assistance in funding interior damage from ice damming and some insurance funding towards resulting damage from basement flooding, associations were faced with per unit deductibles for ice damming, policy exclusions on basement flooding and no coverage for the removal and pruning of trees that fell during the tropical storm or October snow event. The only tree work that would have been covered by insurance would have been a tree that fell on an insured structure. The associations have an obligation to address these needs and need to have a viable way to fund both regular and unexpected expenses.

Communities are further being challenged by changes made to the FHA approval process in which associations are now required to fund a minimum of 10% of their annual operating budget to fund capital reserves and deferred maintenance as well as adequately budgeting for insurance deductibles. Further adding to the difficulty that unit owners are having in refinancing or selling their homes is the adoption of these FHA requirements as loan requirements by many lenders.

- o Section 1 (e) of SB5511 makes a major change to the ability to seek approval for the association to secure loans in some common interest communities. Currently the Common Interest Ownership Act requires owners of units to which at least a majority of the votes in the association are allocated, or any larger percentage or fraction stated in the declaration, must vote in favor of or agree to such assignment. The change would instead make the vote requirement to reject to a majority of all unit owners or any larger number specified in the declaration votes to reject the assignment at such meeting or in the balloting, the assignment shall be rejected. If, at such meeting or in the balloting, a majority of all unit owners or any larger number specified in the declaration does not vote to reject the assignment, the assignment shall be approved. The absence of a quorum at such meeting or participating in the vote by ballot shall not affect the rejection or approval of the assignment. This in affect creates a situation where potentially a very small number of the members of the community will be determining if a loan is approved. Loans are a viable and necessary funding source for associations that need to

be considered wisely taking into consideration their timing verses other capital projects looming in the future and considering the cost to carry the loan. Associations are typically receiving loans that have a repayment period of 5 to 10 years or greater. These costs need to be funded on an annual basis either through special assessments or common fees. Changes proposed earlier in this bill could jeopardize the ability for an association to properly fund the loan repayment in future years.

I respectfully ask that you consider the following when reviewing concerns raised regarding the operation of common interest communities. Each unit owner has the right to put their name forward to serve on their association's board and/or vote for who does govern matters as a board of directors. Each unit owner has the opportunity and responsibility to review in advance of purchasing a home in a common interest community the governing documents and laws impacting the form of ownership they are entering into. All too often owners purchase without fully understanding the aspects of operating the community that are entrusted to the elected board of directors. Many associations already have a very difficult time seeking members to serve on their Board of Directors. The changes proposed to the Common Interest Ownership Act will only further add to this problem. Each association has assigned to it specific responsibilities to maintain and operate the community for the benefit of the unit owners. The Board is charged with the responsibility to ensure that obligations of the association to its members are adhered to. These changes proposed to the statute compromise the ability of boards to fulfill this obligation. In addition, safe guards are in place which were better defined in the 2009 revision to the Common Interest Ownership Act that afford the members of an association the ability to remove members of the board if they disagree with their actions and decisions. One of the methods is to call a meeting for that purpose by the collection of 20% of the owners' signatures. At that meeting, subject to the association's quorum requirement, a majority vote of those present may remove the member or members of the board as per the call of the petition. The Board is required to call for and schedule the meeting within a prescribed time period otherwise the meeting can be directly noticed by the requesting association members.

Furthermore, there are provisions in the governing documents and especially in the revised 2009 Common Interest Ownership Act, that allow individual owners to have greater access to information, to attend meetings of the board, to be heard by the board, to affect change in the association and to keep the association's operation in check. A commonly used selling point for purchasing a home in a common interest community is the care free living that is the benefit of not having to worry about certain aspects of the care for your home. The ironic fact is that a group of these owners instead agree to volunteer their time as Board members taking on the task and responsibility of ensuring that the maintenance and operation of all the units is properly facilitated. The changes to the Common Interest Ownership Act put into place on July 1, 2010 took steps to create more transparency and to ensure that owners have greater control over the operation of their common interest community. The benefits of the changes have had a positive impact and will only increase with increased education and promotion.

TESTIMONY IN OPPOSITION TO GENERAL ASSEMBLY BILL No. 5511 - AN ACT CONCERNING THE  
BUDGET, SPECIAL ASSESSMENT AND ASSIGNMENT OF FUTURE INCOME APPROVAL PROCESS IN  
COMMON INTEREST OWNERSHIP COMMUNITIES

MARCH 29, 2012

Good morning Senator Coleman, Representative Fox, Senator Kissel, Representative Hetherington and members of the Judiciary Committee. Thank you for the opportunity to provide testimony.

My name is Lorna M. Lewis. I serve as the President, Union Square Condominium Association located at 4 Union Avenue, Norwalk CT 06851. Our association is comprised of 42 units and was formed prior to 1984.

Under the existing law, a proposed budget and certain special assessments are deemed approved unless rejected by 51% of unit owners within a common interest community. Raised Bill # 5511 proposes the budget and a special assessment of a common interest community be approved by a majority of the unit owners voting instead of a majority of all unit owners, with no minimum quorum required.

Changing the Uniform Common Interest Ownership Act from its current version will have an adverse effect, therefore creating more disconnect between the Board and the rest of the Association. It may allow a certain minority of unit owners to have disproportionate influence on whether a budget is ratified, especially if proxy voting is permitted by the Declaration of the Association.

Currently, the law stipulates a proposed budget will be ratified unless 51% of the Association's unit owners reject the budget. Initially, our Board proposed an 8.6% increase in common charges for 2012 fiscal year but our proposed budget was rejected twice in two separate meetings, one including the 8.6% increase and one with a 6.8% increase. *Please note unit owners had a choice of faxing/e-mailing ballots to the management company or using proxy votes to insure their vote was counted.* Recently, our budget was finally ratified with a 5.2% increase in common charges. While this was a drawn out process over three months, I strongly advocate keeping the law as it is because it allows our budget process more transparency and accountability despite some apathy within the Association.

Special assessments are not common occurrences for the Union Square Condominium Association but any significant assessment could be subject to the same skepticism and disproportionate influence mentioned previously.

While I fully support the Uniform Common Interest Ownership Act contained in Public Act #09-25 effective July 1, 2010, I cannot support any amendments that will have an adverse impact on the functional well-being of the many condo associations throughout Connecticut. I urge to vote against Raised Bill #5511.

## Testimony in Support of the Passage of

**HB 5511 AN ACT CONCERNING THE BUDGET, SPECIAL ASSESSMENTS AND  
ASSIGNMENT OF FUTURE INCOME APPROVAL PROCESS IN COMMON INTEREST  
OWNERSHIP COMMUNITIES.**

Proposed to the Judiciary Committee

Name of unit owner (Print): Anne E. ScullyAddress of unit owner (Print): 286-C Heritage Village

Southbury, CT. 06488

Phone number of unit owner: 203-264-9566

I would like to thank the Chairman, Vice Chairman and all of the members of the Judiciary Committee for their consideration in this matter.

I would like to attest to the fact that during the last budgetary vote in Heritage Village the following occurred:

1. There are 2580 units in Heritage Village. There were 1786 votes cast.
2. Of those votes cast 1,291 owners voted to reject the proposed budget.  
(72% of the votes cast rejected the budget).
3. There were 595 votes cast to accept the budget.  
(33% of the votes cast accepted the budget).
4. 40 ballots were disqualified for various reasons.
5. 754 unit owners did not vote therefore these were considered yes votes.
6. The Heritage Village 2012 budget passed even though 72% of the votes cast rejected the budget.

The majority of the unit owners who voted (better than 2 to 1) rejected the budget and yet it passed due to the fact 754 unit owners did not vote. The majority interests are not being served by the budget passing.

Ladies and gentlemen of the Judiciary please pass HB 5511 to the General Assembly and that it not die in committee.

Sincerely,

Signature of unit owner: Anne E. Scully

Testimony of Kerry Gray  
to the Judiciary Committee  
in FAVOR of HB5511  
March 2012

My name is Kerry Gray and as a member of the Connecticut Condo Owners Coalition, a grassroots condo owner advocacy group founded in 2010, I once again come to the State of Connecticut, this time seeking your support of HB5511, with the exception of 47-261e, Subsection (3). **I believe removing the existing language of this section would seriously endanger the well-being of our common interest communities.**

I am also seeking your OVERALL support in making the **enforcement and accountability** of Connecticut condo laws the responsibility of the State and not unit owners. I am a relatively new elected board member of my own condo association and I too become frustrated (and vocal) when the current laws are not followed.

Many of the condo laws already on the books are excellent; however, with no enforceability, they might as well not exist. Boards and property managers know they will suffer no consequences if they do not comply with the current laws. They have nothing to lose for non-compliance ... so if they don't want to comply, they simply don't.

I believe that if the department of Consumer Protection had jurisdiction to address condo owner issues, it would certainly reduce the number of unresolved complaints. And, the Attorney General's Office should most definitely have jurisdiction to address condo owner issues, particularly those in which a complainant identifies alleged illegal activity.

**In addition to supporting HB5511 (with the exception noted above) please recognize that it is enforceability and accountability of existing condo laws that condo owners want and need most.**

Thank you,

Kerry Gray, Stratford, CT, March 20, 2012

WRITTEN TESTIMONY IN SUPPORT OF HB-5511, AN ACT CONCERNING THE BUDGET, SPECIAL ASSESSMENT AND ASSIGNMENT OF FUTURE INCOME APPROVAL PROCESS IN COMMON INTEREST OWNERSHIP COMMUNITIES.

Submitted by:  
Brian N Harte  
Address Legally Suppressed

To: Connecticut General Assembly  
Judiciary Committee and Subsequent Committees re: HB-5511

My name is Brian Harte and I am writing this testimony to you both as an individual who owns a condominium unit, and also as a ranking member of the Connecticut Condo Owners Coalition.

The Common Interest Ownership Act, as a whole, is a general set of instructions that prods Common Interest Associations, as applicable, to follow the law. I look at laws and statutes on a daily basis and use it in much of my daily work, as well as in my involvement with the CCOC. I see the law as a bilateral system. The law is designed to serve the people, while the people have the obligation to adhere to the law.

As a condo owner in this state, and former member of the Board of Directors for my association, I can tell you without hesitation that the CGA's mere acknowledgement of the issues that condo and HOA owners face is a step in the right direction.

Raised Bill No. 5511 reinforces that step in several ways, which is why I am writing to you as an acknowledgement of my support of this bill.

While associations across the state, such as Heritage Village in Southbury or where I reside have seen considerable adverse effects related to CGS 47-261, it is comforting to know that our words are being heard.

I hereby fully support HB-5511, subsections (a) through (c) inclusive. But I believe that there is still more that can be done with this bill. What is troubling to me is that subsections (d) and (e) have basically become the beneficiaries of what has been removed from the earlier subsections of the bill / statute. We are now facing the same aspects of what needed to be removed from Budget and Special Assessment language by what was included in the association's right to assign its' future income through loans.

Ladies and gentlemen: Across the state, and even in this budget year session, the consensus has been cost reduction, cutbacks, and prioritization of legislation that will not incur a cost to the state. So, my comments here are necessary.

If the state itself is trying to get itself out of a deficit, is it not prudent to acknowledge that many residents of this state are in similar financial situations? People are losing jobs, homes are being foreclosed upon, and many are living at a poverty line threshold; paycheck-to-paycheck, hoping that their jobs will still be there tomorrow. But as everything in terms of cost in the State rises, including income and sales tax, food, gas, etc., our paychecks do not.

Some of this commentary will echo aspects of my testimony for HB-5536, but the bottom line is that the control of the condo industry is big business at its' best. Lawyers specialize in condo association defense, management companies are *not* in the business of *not* making a profit, and the law itself is placating the businesses and such that thrive on making money off of one's residence in a condo. These are our homes, they are not, nor should they be sources of *income* for anyone other than the holder of our mortgages and applicable municipal taxes.

The fact is that I know that barring any unforeseen circumstances; my mortgage will remain the same, each month, every month for the life of the mortgage. Now if I lived in a house on my own personal property, it would be my decision to hire someone to cut the grass, or do it myself. Same concept applies to snow plowing. Similarly, town/ city dependent, trash pick-up is incorporated into municipal services covered by taxes.

However, in the environment of a condominium complex such as ours, we still must pay for our municipal taxes in full. Yet we receive no services from them. Our HOA fees then cover the additional cost for snow removal from our streets within our complex, trash removal and the like. It boils down to double taxation.

We must pay also, through our HOA fees, for a property management company just to exist. We pay for legal services; meanwhile the only people who are able to use the association's attorney are those on the Board of Directors. Yet we have to pay to protect 'them' from 'us.' Moreover that same attorney will not protect us from them.

Pursuant to subsection (d) and (e) of the proposed bill, the unit owners are yet again faced with a 51% majority vote (of all unit owners) needed to disapprove loan agreements. As my examples explain, we face losing our homes if we cannot afford higher fees. One can be current with their mortgage and still be foreclosed upon for unpaid HOA fees.

And the most alarming aspect is that once again we are still faced with a law that is largely unenforceable; which can be adhered to, or ignored without repercussion. There needs to be teeth to not just this bill, but CIOA as a whole.

In testimony before the Judiciary Committee on March 25, 2011, regarding HB-6620, Attorney General George Jepson went on record stating, "My office has received hundreds of complaints from condominium unit owners regarding violations of state condominium laws or condominium bylaws by their association board of directors. Sadly, no state office exists to effectively assist these unit owners. The state agency established in House Bill 6620 would provide help to outmatched, overwhelmed unit owners who are fighting for their basic rights under our condominium laws."

As Attorney General Jepson pointed out, sadly, again there is no real means of enforcement even with current Bill submissions.

These are the aspects I request be taken into consideration in this bill. My support is unwavering for subsections (a) through (c), but I believe that more can be accomplished here. Please see attachments for supporting documentation.

I do applaud the efforts of Representatives Len Greene and Themis Klarides in co-sponsorship of this bill and thank the Judiciary Committee for their time.

Respectfully Submitted,  
Brian N Harte

**OLR RESEARCH REPORT**

December 2, 2011

2011-R-0434

**CONDOMINIUM LIST AND EDUCATION PROGRAMS**

By: James Orlando, Associate Analyst

You asked if the Secretary of the State's Office or the Department of Consumer Protection (DCP) maintain a list of all condominium associations in the state. You also asked if any states have laws or programs to educate condominium owners or board members about the law and their rights.

**SUMMARY**

Neither the Secretary of the State's Office nor DCP maintain a list of all condominium associations in the state. Some condominium associations are limited liability companies (LLCs), and thus register with the secretary of the state, but the LLC registry does not necessarily identify them as such (unless condominium appears in the title, for example). DCP does have a list of community association managers, who are required by law to register with DCP (see Chapter 400b).

The Connecticut Housing Finance Authority (CHFA) maintains a list of condominium complexes that are approved for CHFA financing programs, provided they are eligible for Federal Housing Administration insurance. While the list is extensive, it does not include all condominiums in the state. The list is available at the following link:  
<http://www.chfa.org/Homeownership/for%20Homebuyers/Tools%20Calculators%20and%20Look-ups/EligibleCondominiums.aspx>.

---

Sandra Norman-Eady, Director  
Phone (860) 240-8400  
FAX (860) 240-8881  
<http://www.cga.ct.gov/olr>

Connecticut General Assembly  
Office of Legislative Research

Room 5300  
Legislative Office Building  
Hartford, CT 06106-1591  
[Olr@cga.ct.gov](mailto:Olr@cga.ct.gov)

Connecticut law does not require education programs for condominium owners or board members, but does require condominium boards to encourage board members and specified others to attend training programs.

We found laws or programs in a small number of other states concerning education for condominium unit owners or board members. For example, Colorado requires condominium education for unit owners, which the associations must provide or cause to be provided free of charge. For another example, Florida requires new board members to meet educational requirements unless they, among other things, certify to having read the condominium documents. Florida law also requires the Division of Florida Condominiums, Timeshares, and Mobile Homes to provide condominium training programs to unit owners and board members.

Below, we describe Connecticut's law in more detail. We also summarize examples of condominium education programs or requirements in Colorado, Florida, Hawaii, and Nevada. Please note that these examples do not include required education or other qualifications for community association management companies or similar entities the associations hire. If you would like information on that topic, please let us know.

## **CONDOMINIUM EDUCATION**

### ***Connecticut***

Connecticut law does not require education programs for condominium owners or board members. The Common Interest Ownership Act (CIOA) does require each common interest community association's executive board, or an officer the board designates, to encourage association and board members and officers and managing agents or people providing association management services, to attend, when available, a basic education program concerning the (1) purpose and operation of common interest communities and associations and (2) rights and responsibilities of unit owners, associations, and executive board officers and members.

The law authorizes the executive board, or an officer it designates, to arrange to have the program conducted by a private entity at a time and place convenient to a majority of association members. It allows all or part of any program fee to be designated as an association common expense and paid from association funds in whatever manner the

executive board determines and the association approves as long as the bylaws and CIOA do not prohibit it (CGS § 47-261a).

### **Colorado**

Colorado law requires common interest community associations to provide, or cause to be provided, free education to unit owners as to the (1) association's general operations and (2) rights and responsibilities of owners, the association, and its board under Colorado law. The education must be provided at least annually.

Each association's executive board must determine criteria for compliance with this education requirement. The requirement does not apply to associations with time-share units (Col. Rev. Stat. Ann. § 38-33.3-209.7).

Colorado also allows a board to reimburse board members, as a common expense, for their actual and necessary expenses in attending educational meetings and seminars on responsible association governance. The course content must be specific to Colorado and refer to applicable Colorado statutes (Col. Rev. Stat. Ann. § 38-33.3-209.6).

### **Florida**

**Division of Condominiums and Condominium Ombudsman.** In Florida, the Division of Florida Condominiums, Timeshares, and Mobile Homes enforces condominium laws. The law requires the division to provide training and educational programs for condominium association board members and unit owners. The training can include both online and live training. The division can review and approve education and training programs by private providers. The division must keep a current list of approved programs and providers and make the list available to board members and unit owners in a reasonable and cost-effective manner (Fl. Stat. Ann. § 718.501).

According to the division's most recent annual report, during the 2010-2011 fiscal year, the division provided courses in the following topics for unit owners and board members: board member responsibilities; budgets and reserves; elections; financial reporting; 2010 legislative updates; and the complaint process. The division conducted 42 training sessions during the year, reaching over 3,400 attendees. The division also produced and distributed over 2,300 copies of condominium educational CD-roms.

The annual report is available at the following link:  
<http://www.myfloridalicense.com/dbpr/lsc/documents/FCTMHAnnualReportFinalFY2010-11.pdf>.

The division maintains a page on its website with information related to condominium education, such as approved education providers, educational materials, and a link to request a CD (in either English or Spanish) as described above. The page is available here:  
<http://www.myfloridalicense.com/dbpr/lsc/condominiums/CondoEducation.html>.

Florida has an Office of the Condominium Ombudsman, located for administrative purposes within the division. The ombudsman serves as a resource for condominium matters. Among other duties, the ombudsman must develop policies and procedures to assist unit owners, boards of directors, board members, community association managers, and other affected parties to understand their rights and responsibilities under the law and the condominium documents governing their associations. The ombudsman must coordinate and assist in preparing and adopting educational and reference material. The ombudsman must also coordinate with private or volunteer providers of these services, so that the availability of these resources is made known to as many people as possible (Fl. Stat. Ann. § 718.5012). The ombudsman's web page is available here: <http://bpr.state.fl.us/condos/>.

**Requirements for New Directors.** In Florida, within 90 days after being elected or appointed to a condominium board, each newly elected or appointed director must do one of the following:

1. certify in writing to the association's secretary that he or she (a) has read the association's declaration, articles of incorporation, bylaws, and current written policies; (b) will work to uphold these documents and policies to the best of his or her ability; and (c) will faithfully discharge his or her fiduciary responsibility to the association's members or
2. submit a certificate of having satisfactorily completed the educational curriculum administered by a division-approved condominium education provider within 1 year before or 90 days after election or appointment.

A director who fails to timely file the written certification or educational certificate is suspended from serving on the board until complying with this requirement.

The written certification or educational certificate is valid as long as the director serves on the board without interruption. The association must keep a director's written certification or educational certificate for inspection by the members for five years after a director's election. Failure to have a written certification or educational certificate on file does not affect the validity of any board action (Fl. Stat. Ann. § 718.112(2)(d)).

### **Hawaii**

**Condominium Education Trust Fund.** Hawaii law requires the state's Real Estate Commission to establish a condominium education trust fund (CETF) for educational purposes, including financing or promoting (1) education and research in the field of condominium management, condominium project registration, and real estate, to benefit the public and those required to be registered under applicable law; (2) the improvement and more efficient administration of associations; and (3) expeditious and inexpensive procedures for resolving association disputes (Haw. Rev. Stat. Ann. § 514B-71).

The Real Estate Commission's 2010 Annual Report contains information on the commission's condominium education efforts. For example, the commission administered CETF subsidies for several commission-approved seminars. Seminar topics included a legislative update; annual meetings; board meetings; dealing with aging buildings; and more. The commission published two new information booklets, on owners' rights and responsibilities and board member powers and duties, and sponsored a free seminar in connection with the booklets.

The commission's 2010 Annual Report is available here:  
[http://hawaii.gov/dcca/real/reports/Annual%20Report 2010 final.pdf](http://hawaii.gov/dcca/real/reports/Annual%20Report%202010_final.pdf).

**Board Education.** Under Hawaii law, condominium boards can spend association funds to educate and train themselves in subject areas directly related to their duties and responsibilities as directors. The law specifies that such funds are not deemed to be compensation to directors. The annual budget must include these education and training expenses as separate line items. These expenses can include registration fees, books, videos, tapes, other educational materials, and economy travel expenses (Haw. Rev. Stat. Ann. § 514B-107).

***Nevada***

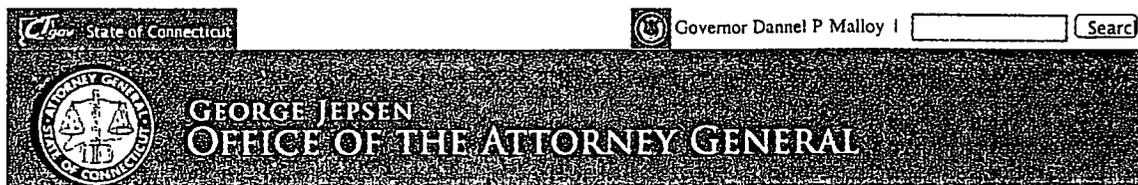
In Nevada, the Commission for Common-Interest Communities and Condominium Hotels, among other duties, must develop and promote educational guidelines for (1) conducting board elections, board meetings, and unit owner meetings and (2) enforcing an association's governing documents through liens, penalties, and fines. The commission must also recommend and approve for accreditation programs of education and research relating to common interest communities, including programs related to (1) managing common interest communities; (2) unit sale and resale; (3) alternative methods to resolve disputes; and (4) enforcing liens on units for failure to pay assessments or fines, including by foreclosure (Nev. Rev. Stat. Ann. § 116.665).

Nevada law allows the commission to promulgate regulations setting standards for subsidizing educational programs for the benefit of unit owners, board members, and officers (Nev. Rev. Stat. Ann. § 116.670). The commission's web page is available here:  
[http://red.state.nv.us/cic/commission\\_info.htm](http://red.state.nv.us/cic/commission_info.htm).

Nevada also has an Office of the Ombudsman for Owners in Common-Interest Communities and Condominium Hotels. The ombudsman's office offers free seminars for people who live, work, or own property within homeowners associations. Recent seminar topics included maintenance, insurance, and risk management; fiscal matters; and reserve studies.

The ombudsman's office created a Nevada Common-Interest Community Manual. Among other things, the manual explains what associations are and how they are governed, summarizes applicable laws, and explains how to use ombudsman services. The ombudsman's office has also created video tutorials for certain topics. More information is available on the ombudsman's web page, available here:  
<http://red.state.nv.us/cic/cic.htm>.

JO:ro

[Home](#)[About Us](#)[Press Releases](#)[Contact Us](#)[CONSTITUENT ISSUES](#)[CONSUMER ASSISTANCE](#)[OFFICE RESOURCES](#)[FORMAL OPINIONS](#)

Connecticut Attorney General's Office

Press Release

**Attorney General Urges Legislature To Establish Condominium Ombudsman To Protect Condo Owners**

February 16, 2010

Attorney General Richard Blumenthal, in testimony submitted today to the state General Law Committee, urged creating a state Office of Condominium Ombudsman after his office received hundreds of complaints from condominium owners over the past year involving disputes with condominium associations

The legislation would create a self-funded state commission -- with no financial burden to state taxpayers -- to review condominium unit owner complaints concerning violations of state condominium laws by the association's board of directors, officers or professional managers.

The ombudsman would also review complaints about violations of condominium bylaws concerning finances, calling or conduct of association meetings or access to public records of the association. The ombudsman would review any disputes and, if necessary, it would hold a hearing and issue orders to resolve problems and ensure that bylaws and state laws are respected.

The proposal encourages that unit owners and associations first seek to resolve disputes through a dispute resolution procedure before relying on the state ombudsman.

"A Condominium Ombudsman would provide help to outmatched, overwhelmed unit owners who are fighting for their basic rights under our condominium laws," Blumenthal said. "Many of the complaints received by my office concern failures by association boards of directors to follow basic governance principles such as adopting an annual budget with notice to the unit owners, holding fair elections for the board of directors, providing key financial information about the association, and fairly imposing association fines."

"Some of these complaints are based on deliberate indifference by association boards to association bylaws or state condominium laws -- or a lack of full understanding of condominium association responsibilities."

"The current law is unfair to unit owners. The law imposes certain responsibilities on condominium association boards of directors and establishes certain rights for unit owners. The unit owners must hire -- at their own expense -- a lawyer to enforce those rights and responsibilities while the association boards of directors can defend themselves using association funds, raised through assessments on the unit owners. Thus, unit owner funds are used to defend lawsuits brought by unit owners themselves."

"A Condominium Ombudsman will provide much-needed assistance to unit owners and provide an important enforcement tool for our condominium laws."

Blumenthal proposes that the office be funded through a simple fee structure -- a small \$4 per unit annual assessment on condominium associations in the state. This charge is the same as assessed in Florida in order to pay for that state's ombudsman program. There are approximately 240,000 condominium units in Connecticut so the \$4 charge will yield \$960,000.

In addition, the proposal requires a filing fee of \$35 (the same as in small claims court prior to last session's increase) paid by the complainant and another \$35 filing fee paid by the association. The fee on the association also encourages the association to resolve the matter prior to intervention by the ombudsman. If there are 1,000 complaints filed, this fee will yield \$70,000.

Finally, the proposal increases the condominium manager's filing fee from \$100 annually to \$400 biennially. There are 300 registered condominium managers so the fee will generate \$120,000 in revenue every two years.

Blumenthal's office has received hundreds of complaints from condominium unit owners regarding violations of state condominium laws or condominium bylaws by their association board of directors.

Under this proposal, the Attorney General, upon referral by the ombudsman, may bring a civil action to enforce the provisions of the condominium bylaws or state statutes regarding condominiums. A provision of the legislation would allow the ombudsman to impose a civil penalty of not more than \$200 for any knowing violation.

Content Last Modified on 2/16/2010 11:38:52 AM

[Printable Version](#)

[Home](#) | [CT.gov Home](#) | [Technical Questions](#) | [Email the Attorney General](#) | [Login](#) | [Register](#)  
State of Connecticut [Disclaimer](#), [Privacy Policy](#), and [Web Site Accessibility Policy](#) Copyright © 2002-2012 State of Connecticut.



**JOINT  
STANDING  
COMMITTEE  
HEARINGS**

**JUDICIARY  
PART 17  
5324 – 5635**

**2012**

**TESTIMONY IN FAVOR OF HB 5511**  
**By Stephanie Armshaw**

I am in favor of this bill in CIOA concerning the approval process for budgets, special assessments and assignment of future income except for the proposed changes to Section 47-261 e (Subsection e). It is **crucial that this section remain as originally written**. To include the proposed change to Subsection e would endanger the financial stability and well being of our associations and may even threaten their very existence.

Please remember that **volunteers** acting as Boards of Directors along with **unlicensed property managers** with varying degrees of intelligence, skill and ethics are in charge. To give them additional power over the community's resources without approval from the majority of the association members would be risky indeed.

There are many people who live in condominium associations that do not care to know about or participate in the daily decision making. By changing Subsection e from the original to the new proposal you would be giving every non voter's vote to the Board of Directors. I have seen this in my community and it has created enormous problems. It is difficult enough to get associations to come to a consensus when dealing with money. What we need is more oversight and protection for the vast majority of unit owners and less power and control for the Board of Directors. It is 2012 and it is time that community association **unit owners have a level playing field**. The abuses must stop!

My association has a Board of Directors at this time that bullied their way into power and they have divided this community to the point of no return in the process. Much of their support comes from the very young and very elderly residents in this community that are uninterested and ignorant of the situation we are in. The board feeds these residents tea and cookies along with much misinformation and promises of "taking care of their needs first" to gain their signatures on proxies and petitions that gives the board more power and control.

In 2009, upon completion of a 5 year assessment, one half of the aging roadway was repaired. In September of 2011, the current board of directors decided that the second half of the roadway was in need of repair. I do not think there is any unit owner that would disagree that the roadway needed repair. However, it is the methodology and timing that many found unacceptable.

The board ignored the State Statutes regarding assessments even though they sought and paid for legal counsel prior to initiating the assessment. This Board did not vote on the assessment, they did not inform the owners of the scope or cost of the project. They held a meeting to ratify the assessment without proper notification. They went into executive session during the meeting and voted on the contractor during that session, and then they ratified the assessment without giving the owners a firm dollar amount or time frame for payment. The association attorney was present at the ratification meeting. When an objection was raised regarding the process during this meeting, the attorney negated our concerns.

Soon after the meeting, unit owners were sent an announcement that the total assessment would be \$1725 due in three installments to be paid within three months time. This was definitely a hardship for many owners who were never given an opportunity to object, to make their needs known or to offer alternative solutions.

A letter was written to the board stating that this assessment was indeed illegal and uncollectible. There was no response.

A second letter was sent requesting mediation to avoid additional legal fees. There was no response.

Finally, five unit owners filed small claims actions against the association. This is the only dispute resolution open to owners who disagree with the board's decisions. Cost: \$75 each x 5 - \$375

The board, which has the benefit of association funds, gave the small claims actions to their attorney. The attorney advised the board to redo the assessment process to satisfy the unit owners' objections.

It should have stopped here but it does not.

In an effort to punish the disagreeing unit owners, the attorney moves the small claims actions to Superior court.

When the assessment is done properly and then appropriately ratified, the unit owners are given notice and a **demand for \$1725 payment within 24 hours.**

The unit owners then receive notification that they are on the short list for the Superior Court within one week. They immediately withdraw their actions with the court and notify the attorney.

Within days, those unit owners received a bill from this attorney for \$125 for his services. Total cost: \$625. \$625 + \$375 + \$1,000 – It cost \$1,000 to protect rights that are ours according to the Statutes of the State of Connecticut.

Some of the needed legislation is in place but much more is necessary. We **must** be able to enforce the law without involving the court system. The cost is prohibitive to most people and it gives the Board the edge because they have access to the association funds. In 2011, my association spent in excess of \$14000 on attorney fees. The attorneys in the state are profiting from the misery of ordinary people who just want to protect themselves from these abusers. Do you know how difficult it is to get an attorney to represent you as a unit owner against your board? If you can find one, he will expect thousands of dollars as a retainer.

What is most interesting about this entire scenario is that this particular attorney is very active in his participation with the state's branch of the Community Association Institute and writes a legal column for this magazine. He was involved in this assessment from the beginning and instead of guiding this board in the right direction and thus **protecting the rights of all** unit owners, he ignored the protests and letters until legal action was taken. Then, in an effort to subdue the dissent, he makes certain that it costs the dissenters as much as possible thereby punishing their efforts to get a fair shake.

The unit owners are being oppressed by the tyranny of this board in the absence of enforceable rules that protect our individual rights.

As owners of condominiums, we desperately need an Ombudsman and oversight by the State of Connecticut to protect our individual rights.

Testimony in FAVOR of HB5511  
By Connecticut Condo Owners Coalition  
For Judiciary Committee  
March 29, 2012

NOTE: (1) Over 30 condo owners offered to be interviewed for the following news story, but the Courant could not accommodate all the requests. (2) As a result of our January 2012 survey of several hundred condo owners, both CCOC members and non-members, there is data to substantiate the problems between owners and property managers and associations. Harvard research indicates that for every one complaint a business hears, there are 25 others who feel the same, but did not complain.

**Hartford  Courant.**

## State Condo Owners Seeking Stronger Voice

By ANNE M. HAMILTON, Special To The Courant The Hartford Courant

March 24, 2012

Some of the estimated 200,000 condominium owners in Connecticut say they are living under conditions that rival the legendary Biblical plagues — minus the frogs and the locusts.

Ceiling leaks, indoor mold, icy walks that are never cleared, broken outside staircases, tyrannical board presidents and not enough heat are some of the complaints being voiced by members of the Connecticut Condominium Owners Coalition, or CCOC.

Doreen Camp, a Meriden condo owner, says owners have no place to turn for help.

- [Topics](#)
- [Condos](#)
- [Laws](#)
- [Realty](#)
- [See more topics »](#)

"The state laws and the [condominium] bylaws aren't being adhered to," she said. "There's nobody that's enforcing."

---

[\[Sample Our Free Connecticut Business Midday Newsletter\]](#)

---

She said her written complaints about the management of her condo to the association officers, the state Department of Consumer Protection and the attorney general's office have gotten no response. The only alternative is be a costly lawsuit she can't afford..

Condominium association representatives say that while some problems may be serious, the overall situation is nowhere as dire as the coalition claims.

"The percentage of individuals who do have serious issues is very low, compared to the units throughout the state," said Kim McClain, executive director of the state chapter of Community Associations Institute, an organization that provides education and support to condominium associations.

Many complaints voiced by CCOC members involve the disregard of the various state laws that outline the rights and responsibilities of both unit owners and associations. Owners say some associations fail to hold meetings, refuse to distribute financial information, don't upgrade condominium bylaws to reflect revisions in the law, or fail to hold annual meetings.

McClain said that many complaints are unsubstantiated, and just reflect a few unhappy unit owners. "There are always going to be problems that seem intractable," she said.

The problem, say CCOC members, is that there is no reliable, rapid, inexpensive way to resolve problems. Boards can be prejudiced and lawsuits are too expensive. For several years, CCOC has lobbied for the creation of an ombudsman, a state official who would listen to complaints and mediate between condominium owners and associations.

"It would be a place to go," said Judith Rudikoff, a CCOC member who fought with her condo association for 10 months to get access to some financial information. "Someone who might have the ability to mediate and help resolve the problems. It would be a statement to the board that it's accountable."

Her board agreed to transmit the financial reports by email — rather than have Rudikoff travel from Bridgeport to East Hartford, where the records are kept — only after a Courant reporter inquired about the problem.

Representatives of condominium associations say establishing an ombudsman's office would be a waste of time and money. Instead, McClain says every condominium should have an internal grievance procedure that would mediate problems, a position supported by David Kelman, a founding member of CCOC. Currently, some bylaws provide for mediation or arbitration of disputes, but most do not.

Kelman said that a \$4 per owner assessment would pay for an ombudsman, but McClain said that would impose an unnecessary fee on the thousands of owners who have no issues with their boards.

Although an ombudsman bill has been proposed yearly in the General Assembly since 2008, it is not under consideration this year. Some states, like Nevada and Florida have ombudsmen.

"Last year, we didn't have support for the bill," said state Rep. James Albis (D-East Haven) a member of the Judiciary Committee.

Attorney General George Jepsen, who testified in favor of the bill last year, said he would not be supporting an ombudsman bill this year because of the cost. Instead, Albis will propose a mandatory licensing requirement for property managers who are currently required only to register and be bonded.

"In some cases, the problems are serious, but generally, owners and property managers get along well, but there are some issues to be addressed," he said.

The Community Associations Institute lobbied hard against the ombudsman bill, saying it was not needed because there are so few complaints and because so many complaints are unfounded.

Karl Kuegler, director of property management with Imagineers, which manages 156 condominiums statewide, said many associations are still struggling to comply with changes in the Common Interest Ownership Act, which governs condominiums, that took effect in 2010.

Those changes were made to ensure more transparency in association business, and required meetings to be held in common areas, specified that unit owners can request a hearing if they are trying to enforce a rights under the condominium law, gave owners the right to attend and speak at meetings, and required records of minutes and votes to be available to owners.

"There have been such sweeping changes [in the law]" said Kuegler. "Have homeowners allowed [these changes] to take effect?"

Rudikoff said some residents, particularly elderly ones, feel intimidated by board members and are reluctant to voice disapproval of board actions. Personal feelings sometimes run high, and unit owners are made to "feel unwelcome or excluded."

Kuegler said the law allows owners to get rid of board members if they don't feel the board is doing its job. "If the board isn't representing the interests of the community, [20 percent of the owners] can call for a meeting. There are provisions to remove them without any legal expense," he said.

Representatives of management companies concede there may be problems in condominium governance, but see the issues differently than condo owners.

"There's a staggering amount of responsibility, and some boards just aren't equipped to do it," said Reg Babcock, general counsel of Westford Real Estate Management, which manages 65 condominium complexes.

"The problem we witness more often than not is five vacancies and only three candidates.... That's a serious concern – getting serious committed owners to sign up and serve on the board."

One unknown is the number of condominiums statewide. Although each association is required to file with the town clerk and with the Secretary of the State, there is currently no enforcement mechanism, and no way to determine the exact number of condominiums or owners. Many are small condominiums, with under ten units.

Some of the most frequent condominium problems — over pets and landscaping — create tension between owners and board members, and tend to get personal, Babcock said. Turning those issues over to the management company for resolution would eliminate the rancor created by personality clashes, he said.

Although the ombudsman proposal is dead for this year, other measures are being proposed. Among them is a bill that would change the voting procedure on annual condo budgets that currently counts non-votes as a "yes" for the proposed budget. Under the bill, a simple majority of condo owners could defeat the budget.

The state Department of Consumer Protection, which has jurisdiction over complaints that fall under the state Unfair Trade Practices Act, is planning to launch a website that will contain all laws pertinent to condominiums in June. Richard Maloney, the department's director of trade practices, said he is working with the University of Connecticut's Real Estate Center to create a course for real estate agents to learn more about condominium law. And McClain said the Community Associations Institute offers frequent courses on condominium rights and responsibilities.

Kelman says all that may be a start, but is just not enough. "Condo owners have no state agency where they can get resolution," he said. " We're looking for transparency, democracy, fairness.... This is not happening."

Testimony is in FAVOR of HB5511  
By Beverly Pugliese

I support HB5511, except for Section 47-261e, Subsection (e). I believe that Subsection (e) of this bill should remain unchanged from the existing law. Removing the existing language of Section 47-261e (e) would seriously endanger the well being of our common interest communities.

Written Testimony of David Kelman  
In Favor of HB5511  
Before the Judiciary Committee  
March 29, 2012  
10:00AM

Dear Members of the Judiciary Committee.

I reside in a condo in West Hartford, am a former condo association board member and a present condo association board candidate. I have served as a volunteer for the State of Connecticut Attorney General's Office in the Consumer Assistance Unit for five years, and am member of the Steering Committee for the Connecticut Condo Owners Coalition (CCOC), an all-volunteer group consisting of hundreds of condo owners from over 100 cities and towns across our state.

In January 2012, CCOC surveyed hundreds of condo owners, both members and non-members. The feedback from survey respondents documents the problems that exist in many common interest communities. The lack of enforcement of condo laws has negatively impacted the quality of condo owner living experiences. In a number of associations, the democratic process is broken. Owners describe, in some cases, that property managers and boards, who they rely on to maintain their property values and share association records, are not doing so even when requested in writing, despite recent laws with good intentions. Some frustrated owners are selling their condos and moving out of state because the situation is so unbearable for them. Approximately one quarter million Connecticut condo owners are not treated as equal citizens and do not receive the same assistance from state agencies as other consumers receive in our State. It is perhaps shocking to note that renters in condos have more rights than condo owners themselves.

I am in **FAVOR** of HB5511 the Budget and Special Assessments bill **with changes**. In the fall, our association had a budget vote. Proxies were not mailed out with the budget meeting notice. At the budget meeting, which had an overflow crowd of attendees, the board president first called the vote by a show of hands. Then, he changed his mind and distributed paper ballots. Adding insult to injury the board president declared the budget passed, despite approximately 52% majority rejecting the budget when proxies were counted. When a board member challenged the proxies, the challenges were never substantiated. When I asked for a recount of the ballots, and to meet with the Election Committee chairman to discuss this matter, I was denied due process, and the property manager condoned this behavior by not stepping in to ensure fairness and transparency. I was informed by the

property manager I had to go to his office, where I would be charged for his time. This seems unfair to owners when we pay thousands of dollars annually in monthly fees for service which can easily be sent by email .

I ask the Committee to leave the language in Section 47-261e Subsection (e) as it is written in the current law **without change**. Budget approval and special assessments should be approved by a simple majority of votes cast. Changing the language as proposed takes the authority away from unit owners which would seriously endanger the well-being of our common interest communities

Also, I urge this committee to add a provision to this bill that any assessment cannot be approved unless the monies generated by the assessment are maintained in a separate account identifying that those funds are to be used solely for the purpose intended. This fund accounting should be clearly itemized so unit owners can easily understand the costs for each item, the contractors selected to do the work based upon at least three competitive bids, and a and expected completion date for each item so that owners are protected in the event of overcharges, faulty or incomplete workmanship. In addition, I urge that some enforcement provisions be added to this bill

There is additional written testimony online for your review. Some members of the Connecticut Condo Owners Coalition were not able to attend this public hearing and sent in written testimony. I ask that you kindly read all the online testimony from condo owners and to fully to consider the testimony of all unit owners who have faced hardships in their communities, and to establish laws to better protect owners in common interest communities and increase the enforceability of existing and new condo laws.

I feel it would help to have one set of laws governing in plain English governing common interest communities regardless of when the association was built and tie Community Association Manager Statutes into the Common Interest Ownership Act.

Thank you for your consideration.

Sincerely,

David Kelman

Testimony of David Kelman  
In Favor of HB5511  
Before the Judiciary Committee  
March 29, 2012

I am in FAVOR of HB5511 AN ACT CONCERNING THE BUDGET, SPECIAL ASSESSMENT AND ASSIGNMENT OF FUTURE INCOME APPROVAL PROCESS IN COMMON INTEREST OWNERSHIP COMMUNITIES.

I urge the Judiciary Committee to maintain the existing language in Section 47-261e Subsection (e) as is. All unit owners should be encouraged to vote on matters affecting the community. If unit owners do not vote for whatever reason, then a simple majority of those voting should prevail. Changing the language as proposed takes the authority away from unit owners and would seriously endanger the well-being of our common interest communities.

I also feel this bill would be enhanced by adding enforcement to the bill.

I am a former board member of my association, active member who regularly attends my condo association's board meetings, and am a member of the Connecticut Condo Owners Coalition. I have witnessed and been the subject of board abuse of authority and disrespect.

What I hear most often from condo owners statewide is the misconduct of condo board and that often they do not listen to their membership.

I feel this committee should address the issue of enforceability, and make associations more accountable for their actions.

Recently, our association had a budget vote. Ballots or proxies were not mailed out with the budget meeting notice.

At the budget meeting which had an overflow crowd of attendees, the board president first called for a show of hands. Then realizing that was a bit much for him to manage, he distributed paper ballots. However, those who did not attend the meeting did not receive the same ballots. Hence, all owners were not treated equally.

While there was a 54% majority in attendees and proxies needed to defeat the budget, the board president declared the budget passed. How could this happen? Another board member challenged some proxies saying one person was not an owner (which was incorrect), and another unit owner could only vote once, even though he owned two units. When challenged, neither the board president nor the property manager did anything to verify the challenge. The budget vote should have been stopped until the matter was resolved. This was one budget vote scandal. The chairman of the Election Committee who is a board member did nothing about it, even when an owner asked for a meeting to discuss the matter, he refused. For what I have read from other condo owners throughout the state, election corruption is rampant. Again, there is no enforcement of existing laws. Enforcement should be added to this bill.

My property manager declares he is national trained and certified, yet he said nothing when the issue of invalid vote was raised.

When asked to review the ballot count, I was informed I had to travel to the property manager's office, where I would charge for his time. This seems unfair to owners when we pay thousands of dollars annually in monthly fees.

Please pass HB5511 with the changes noted above.

Thank you

Testimony of David Kelman  
In FAVOR of HB5511  
For Judiciary Committee Public Hearing  
March 29, 2010  
10:00am



For full report, see AARP Public Policy Institute Paper #2006-15  
In Brief prepared by Andrew Kochera, July 2006  
©2006, AARP. Reprint with permission only  
AARP, 601 E St., NW, Washington, DC 20049  
<http://www.aarp.org/ppi> 202-434-3866 [ppi@aarp.org](mailto:ppi@aarp.org) INB128

### **In Brief**

#### **A BILL of RIGHTS for HOMEOWNERS in ASSOCIATIONS: Basic Principles of Consumer Protection and Sample Model Statute**

Associations in common-interest communities (such as homeowners associations or condominium associations) play a valuable role in modern America, and generally operate amicably to the mutual benefit of residents. For instance, they may:

- Provide a number of amenities (such as parks, pools, and club houses) that would be difficult to procure from many cash-strapped local governments.
- Set architectural standards and maintenance requirements that help reassure residents that their investment in the community is well protected.
- Provide opportunities for neighbors to meet and socialize, helping foster a sense of community.
- Maintain private streets, remove snow, and even collect garbage, thereby relieving local governments from those burdens.

AARP Public Policy analysis indicates that in 2003, 46 percent of owners in singlefamily homeowner associations were over the age of 50, as were 56 percent of owners in condominium/coop communities.

Along with the advantages of association life, there may also arise disputes between homeowners and their association. Association rules regarding participation in the association elections process, levying of fines, and procedures for resolving disputes through an objective third party can have a profound impact on the quality and enjoyment of community life. Many disagreements and disputes can be settled rather easily, but

some can escalate even to the point where ownership of the home is at risk. The use of foreclosure as an enforcement tool is controversial (especially in states that permit foreclosure without a court hearing) and can be devastating to a household. The consequences of disputes can be particularly severe for older homeowners, whose homes typically represent their single largest asset.

The Bill of Rights for Homeowners in Associations outlines a set of ten principles (or "rights") and model statutory language that states can follow when developing laws and regulatory procedures for common-interest communities. Additionally, associations themselves can use these principles and the concepts in the model statute explanatory discussions when developing or modifying their own governing documents. The issues addressed are applicable to all forms of common-interest communities.

INB128

## **BILL OF RIGHTS FOR HOMEOWNERS**

### *I: The Right to Security against Foreclosure*

An association shall not foreclose against a homeowner except for significant unpaid assessments, and any such foreclosure shall require judicial review to ensure fairness.

### *II: The Right to Resolve Disputes without Litigation*

Homeowners and associations will have available alternative dispute resolution (ADR), although both parties preserve the right to litigate.

### *III: The Right to Fairness in Litigation*

Where there is litigation between an association and a homeowner, and the homeowner prevails, the association shall pay attorney fees to a reasonable level.

### *IV: The Right to Be Told of All Rules and Charges*

Homeowners shall be told--before buying--of the association's broad powers, and the association may not exercise any power not clearly disclosed to the homeowner if the power unreasonably interferes with homeownership.

### *V: The Right to Stability in Rules and Charges*

Homeowners shall have rights to vote to create, amend, or terminate deed restrictions and other important documents. Where an association's directors have power to change operating rules, the homeowners shall have notice and an opportunity, by majority vote, to override new rules and charges.

### *VI: The Right to Individual Autonomy*

Homeowners shall not surrender any essential rights of individual autonomy because they live in a common-interest community. Homeowners shall have the right to peaceful advocacy during elections and other votes as well as use of common areas.

### *VII: The Right to Oversight of Associations and Directors*

Homeowners shall have reasonable access to records and meetings, as well as specified abilities to call special meetings, to obtain oversight of elections and other votes, and to recall directors.

### *VIII: The Right to Vote and Run for Office*

Homeowners shall have well-defined voting rights, including secret ballots, and no director shall have a conflict of interest.

*IX: The Right to Reasonable Associations and Directors*

Associations, their directors and other agents, shall act reasonably in exercising their power over homeowners.

*X: The Right to an Ombudsperson for Homeowners*

Homeowners shall have fair interpretation of their rights through the state Office of Ombudsperson for Homeowners. The ombudsperson will enable state oversight where needed, and increases available information for all concerned.

Raised H.B. No. 5511  
Session Year 2012

---

Kevin Shea  
141 Pheasant Lane  
Branford, Ct 06405  
March 25, 2012

Written Testimony for HB 5511 Budget, Special Assessments and Assignment of Future Income.

Dear Committee Members,

My name is Kevin Shea I am 62 years old and I have resided at 141 Pheasant Lane Branford, Ct 06405 a Condominium at The Meadows of Branford Condominium Association which consists of 136 units. I am not a Board Member. I thank you for the opportunity to address you today on the topic Property Manager Licensing and would like to take this opportunity to share with you recent experiences I and my Association had with Margolis Management from Hamden, CT. At this point I would ask you to please review and reference the below copied article and docket No. 11-818 a case that I was personally involved in with this Manager which was resolved in Nov 2011 with the DCP:

Please Take Special Note of the References to Assessments In This Case

Article published in CTWatchdog.com, January 2, 2012

## **Margolis Condo Management Fined For Padding Condo Association Bills**

On November 9, 2011, following a two year investigation by the State of CT Department of Consumer Protection (Docket No. 11-818, Case No. 2009-5477), Commissioner William M. Rubenstein, imposed a penalty of \$8,000 on Stephen Margolis, A/K/A Margolis Management & Realty of Hamden, CT, for failing to properly notify and disclose to The Meadow's Association the inflated prices he, Mr. Margolis, was charging for "additional services other than Association Services for compensation, to an Association, The Meadows of Branford, to which he was also providing Community Association Manager Services."

In 2009, Kevin Shea, an owner at The Meadows of Branford, became aware of inflated billing for contractors' services to the condominium. "It was obvious that something was wrong, [anyone] could see that money was going out the back door." Additional/multiple assessments had been levied for four years running for major maintenance items, some of which were never completed. Prior to 2009, **The Meadows Board and their property manager were confronted by Association members [the owners] who petitioned for and scheduled a special meeting. Members requested that the assessment funds be accounted for and segregated from the regular operating budget. The Board, property manager and their attorneys refused.** Following an inspection of the Association records, Mr. Shea filed a complaint with the CT Department of Consumer Protection, which investigated the issue over a two year period. In November 2011, a settlement was made in Shea's favor, with a penalty of \$8,000 imposed on Stephen Margolis.

Margolis' Assurance of Voluntary Compliance, in which he agreed to the penalty without admitting any violation, was accepted by the Commissioner with Margolis further agreeing to refrain from any business practices that can be construed as a violation of the CT Fair Business Practices Act. The Board did not pursue Margolis.

The Connecticut Condo Owners Coalition (CCOC), a grassroots organization, became aware of this case, which again confirms the need for a mediator to resolve issues between condo owners and their boards or management companies. CCOC's membership is comprised of condo owners

Boards are no longer required to provide owners with timely, accurate, consistent financial reports that contain who the manager or board is contracting with for goods, services, repairs, construction or who the actual contractor is and the prices owners are paying, which in many cases owners are unknowingly and unnecessarily overcharged. In my Association we were notified that if we even speak to a contractor or repairman we would be fined by the board.

If an owner wants to see the Association's books he or she has to make an appointment with the property manager to look the books. I can tell you from personal experience getting an appointment to view or copy your records of any kind IS A NIGHTMARE. Once I made the request to see the records Board members immediately began telling residents that I was causing trouble, I was blacklisted. Great lengths were taken to discourage or prevent me from making the inspection and after three weeks of abuse I was granted an appointment. The records I was provided with were incomplete and I had to return for two additional appointments, the whole inspection process took six weeks. I then pieced together enough information to file a complaint with the DCP which is covered in the above listed article.

Several years prior to this discovery of this invoicing scheme, over 50% of the owners in our association, after being assessed \$140,000 in addition to the normal operating budget of \$450,000, petitioned the board for a special meeting for the specific purposes of having the assessment money set aside from the normal operating budget and kept in its own account for accounting and tracking purposes. We also requested a list of uses for this money and the costs associated with each use. We had only been provided a list of 'intended purposes'. When the meeting notice for the special meeting was sent out to the owners the meeting agenda omitted any mention of the petition's sole purpose and the owner's assessment concerns. The board hired a Condo-Attorney who along with the subject property manager ran the meeting and refused to allow any mention of or vote on the legally petitioned for assessment issue. They pulled the 'old switcheroo' and the assessment money was blended in with the budget and became discretionary to the property manager. Under this manager there was approximately \$500,000 of assessments levied, collected and mixed in with the regular operating budget within a 5 year period; items that were promised are still incomplete. Owners still have no idea what we actually received for this money.

THE PENALTIES FOR MANAGEMENT OVERBILLING / INVOICING OR CONTRACTOR/CONSTRUCTION SCHEMES ARE INADEQUATE. REGARDLESS OF THE AMOUNTS TAKEN, THESE CRIMES WHICH ARE PERPETRATED ON ASSOCIATION OWNERS WHO HAVE NO KNOWLEDGE OF THEIR EXISTANCE AND NO WAY TO DEFEND THEMSELVES ARE TREATED AS MISDEMEANERS. OWNERS HAVE TO DEPEND ON VOLUNTEER MANAGER FRIENDLY BOARD MEMBERS WHO IN MANY CASES HAVE BEEN LED ASTRAY, FOR PROTECTION.

I AM REQUESTING THAT LANGUAGE COMENSRATE WITH THE FOLLOWING BE CONSIDERED AND MADE PART OF AND REQUIRED IN THIS BILL FOR ANY ASSESSMENT OR LOAN IN A PRIVATE RESIDENTIAL ASSOCIATION OR COMMUNITY CONSISTING OF 25 OR MORE UNITS.:

BEFORE ANY ASSESSMENT, LOAN OR ASSIGNMENT OF FUTURE INCOME SHALL BE ALLOWED TO BE SUBMITTED TO THE MEMBERSHIP FOR APPROVAL OR DENIAL; IT SHALL CONTAIN THE FOLLOWING INFORMATION:

- 1) An itemized list of the goods, services, repairs, construction, including labor, materials, installation or any other use of any assessment or loan funds.
- 2) The contracted / quoted costs, names of vendor(s) and contract(s) or vendor invoice(s) for any goods, services, repairs, construction or installation, including labor and materials or any other use of any assessment or loan.
- 3) Any item of the above mentioned to be installed, repaired, constructed or contracted for must contain a completion date.
- 4) A separate account shall be opened and used exclusively and individually for any Assessment or loan funds regular assessment progress reports shall be sent to the membership.

**ALL BUDGET, ASSESSMENTS AND LOANS SHOULD BE VOTED ON AND DECIDED BY A SIMPLE MAJORITY.**

I am also forwarding the below listed observation of Act 828 based on my observation and limited knowledge of these laws. I have sighted obvious inequalities of Rights and Protections provided to or for Private Association Home Owners as apposed to Non Private Home Owners as a result of act 828 which recently was put into effect for Private CT Common Ownership Communities and Owners:

**Public Citizens vs. Private Association Citizen's Rights and Protections**

As a result of the new 828 act there are Unequal and Separate rights, protections and access to the law and enforcement as it pertains to ordinary CT citizens (OC) as opposed to CT citizens who live in private associations (PC) creating many obvious inequities for vulnerable private association home owners.

Both classes of these home owner citizens pay equal State, Local and property taxes however receive separate and unequal services, legal protections and access to any law enforcement in the event of wrong doing, conflict or preditorial behavior within a private community.

Within a private association as a result of Act 828 there are also two distinctly unequal classes of citizens with the above mentioned inequities. That would be Board Members who have access to association funds and legal recourses vs. unit owners who have to use their own resources in time of conflict or obvious mismanagement.

There are aspects and features within Act828 that allow for & promote;

- 1) **Unfair and Unethical Deceptive Business Practices, i.e.;**  
Prior to a contractor doing work on a public citizen's residence the contractor must provide the owner with the scope of work to be done, price of materials, labor, date of completion and include a 3 business day right of rescission./ Private owner's have no protections or recourse and have to depend on non experienced Boards who deal with seasoned professional property managers and contractors who are fully aware of the lack of enforcement in these areas and take full advantage this loophole and employ an array of deceptive business practices when charging for and delivering goods and services to private associations.

2) Absolute and Unfair Control of Elections, i.e;

If the sitting board feels as though it will be challenged they will attack their challenger's legitimacy, cancel/postpone meetings ...change the meeting venues etc, etc and will employ Property Managers and other professionals to deny access to their opponents to take part in the counting of votes. Official election results are rarely provided to voters or contestants.

3) Unchallengeable Association Board Powers/Access to Legal Resources:

Boards have access to and will use Association funds to challenge and litigate against unit owners for many unfounded issues or disagreements. This is done regularly and in the absence of common sense, unit owners are forced to use their personal funds to defend any actions. Property managers, Association and Condo industry Attorneys are proponents and the main beneficiaries of this activity.

An unbiased independent OMBUDSMAN is needed badly to settle owner-board disputes and keep property managers in compliance. The Ombudsman could be self funded by condo owners at a pittance of what is lost annually through a result of unnecessary litigation expenses incurred by owners and deceptive business practices.

4) No Understandable or Verifiable Association Financial

Under the constant threat of foreclosure private homeowners are forced to pay their monthly association fees regardless of the services or lack thereof that they receive or the building and property conditions that they live in and in many cases have little or no say in how their property is maintained and who selectively receives services. As a direct result of 828 Boards are no longer required to provide members with annual or any regularly scheduled reports making it impossible for owners to track anything. Owners have no knowledge or way to defend themselves against overbilling, fraud or any number of other consumer or criminal schemes that are regularly employed against associations that are run by held harmless volunteers.

828 has put in place new restrictions of what financial and association business records and documents owners are allowed to see or review leaving owners defenseless against fraud and schemes.

5) No Immediate Available Law Enforcement or Relief When Violations are Discovered and Weak Penalties for Violators.

There are many civil and criminal violations of private unit owner's rights in the State of CT. These are violations that if encountered by a public citizen that public citizen has law enforcement and other venues to seek out and rely on for relief and resolution.

These violations happen within both poorly and well managed associations alike. That is because the existing law allows for these conditions of inequality to exist while providing cover for less than legal and ethical industry vendors and providers of services to operate and prosper unchecked.

When a violation is discovered the local police and the Atty general's office are helpless and turn away thousands of complaints every year.

An understaffed overworked DCP is responsible for licensing and enforcement of very weak rules for Property Managers who handle all of an Association's records, dues, assessments and election processes. These individuals have huge fiduciary duties and access to large amounts of funds; they are in effect the bankers for associations and yet aren't even screened with a criminal background check during the licensing process. Run-away vendor-influenced Boards with their own self non-owner interests are now the norm rather than the exception.

I again would like to thank you for the opportunity to be heard on this important matter. There are over 250,000 Condominium Owners in CT and we have no voice, the fox has been in the hen house long enough. There are Condo Industry Trade Groups consisting of industry vendors and Attorneys who have lobbied for the current business-friendly rules and laws who inappropriately identify themselves our voice, which is incorrect.

Thank you for taking the time to listen, I hope you will take corrective and decisive action to amend the current laws that will provide improved transparency and protections for Private Association Home Owners in CT.

Respectfully submitted,

Kevin Shea  
141 Pheasant Lane  
Branford, CT 06405

[beacon@sprintmail.com](mailto:beacon@sprintmail.com)

TESTIMONY IN FAVOR OF HOUSE BILL 5511AN ACT CONCERNING THE BUDGET, SPECIAL ASSESSMENTS  
AND ASSIGNMENT OF FUTURE INCOME APPROVAL PROCESS  
IN COMMON INTEREST OWNERSHIP COMMUNITIES

Marianne D. Derwin  
786B Heritage Village  
Southbury, CT 06488

Co-Chairmen, Senator Coleman and Rep. Fox, Vice Chairmen, Senator Doyle and Rep. Holder-Winfield, Ranking Members of the Judiciary and Members of the Judiciary:

I urge you to vote in favor of the changes in sub-section (a) and sub-section (b) of House Bill 5511 (47-261e). However, I request that you vote NO on the changes in sub-section (e) and leave the existing language in this sub-section or change the language in this sub-section so that it will read: "If... a majority of the unit owners voting or any larger number specified in the declaration votes to reject the assignment, the assignment shall be rejected." "If... a majority of the unit owners voting or any larger number specified in the declaration does not vote to reject the assignment, the assignment shall be approved."

Keeping the language that governs the voting process for budgets, special assessment and assignment of future income clear, concise and uniform is important. Doing so will make the statute user-friendly and will eliminate potential confusion for the unit owners.

Thank you for your consideration.

Respectfully,  
Marianne D. Derwin

Testimony in support of the passage of Bill HB5511

Name of unit owner . Doris E. Sargent

Address of Unit owner: 778A Heritage Village

Southbury, CT 06488

Phone number of Unit owner: 203 - 264 - 1389

The vote cast to be counted should only include the votes  
of unit owners who vote.

A non vote should not be counted as a yes vote.

Signature of unit owner: Doris E Sargent

## Testimony in Support of the Passage of

HB 5511 AN ACT CONCERNING THE BUDGET, SPECIAL ASSESSMENTS AND  
ASSIGNMENT OF FUTURE INCOME APPROVAL PROCESS IN COMMON INTEREST  
OWNERSHIP COMMUNNUTUES.

Proposed to the Judiciary Committee

---

Name of unit owner: Linda Sparrow

Address of unit owner: 755A Heritage Village

Southbury, CT. 06488

Phone number of unit owner: 203-264-6635

I would like to thank the Chairman, Vice Chairman and all of the members of the Judiciary Committee for their consideration in this matter.

I would like to attest to the fact that during the last budgetary vote for the 2012 Budget year in Heritage Village the following occurred.

The majority of the unit owners who voted (better than 2 to 1) rejected the budget and yet it passed due to the fact 754 unit owners did not vote therefore counted as a yes vote. The majority interests are not being served by the budget passing.

Ladies and gentlemen of the Judiciary please pass HB 5511 to the General Assembly and that it not die in committee.

Sincerely,

Unit Owner: Linda Sparrow

HB 5511

MY TESTIMONY: Caroline F. Mayer  
781A Heritage village  
Southbury, Ct. 06488  
March 26, 2012

I am a unit owner in Heritage Village, Southbury, CT. the results of our vote for the 2012 Annual budget showed that two to one voted to reject the budget. We did NOT receive the required 1291 votes to reject, we were about 100 votes short. The budget was adopted.

1,786 valid ballots were received of which 594.419 votes were yes votes and 1,199.961 votes were no votes. 794 units were unrepresented in the count either because the ballots were not returned or because they were not signed making them unidentifiable. All of the ballots were counted according to the weighted vote assigned to the specific type of unit. The unreturned ballots were counted as a yes vote and that is what caused the budget to be adopted. We need to only consider the valid ballots returned. This the procedure followed in Town, State, & Federal elections.

PLEASE ACCEPT THIS AS MY TESTIMONY IN FAVOR OF HB5511.. HB5511 WILL CORRECT THE UNACCEPTABLE METHOD USED AT THIS TIME AND BE A MORE REALISTIC RESULT AS TO THE WISHES OF THE RESIDENTS.

Respectfully submitted,  
Caroline F.Mayer  
781A Heritage Village  
Southbury, CT. 06488

**Testimony of Kay Mondello**  
**In favor of HB # 5511**  
**For Judicial Committee Public Hearing**  
**March 29, 2012**

Unit Owners pay common charges every month to contribute to the Association funds.  
It is ALL our money, not just Board Members.

Associations/Board Members have a responsibility to all home owners to define report, document and explain how all Association funds are being used.

Through the 2010 recent passing of the CIOA "transparency law" unit owners are entitled to financial information, reports, approval of funds and should be kept up to date on where and when their money is being spent.

The Associations were not expecting this law. They were accustomed to operating on their own opinions and rules.  
There had not been a significant change in Condo law since 1984.

Now that there is a transparency law, Associations need to follow the law.

Board Members need to be "Transparent" with unit owners on all financial funds, be responsible in reporting, spending funds appropriately with careful consideration and approval for costly purchases..

Unit owners have the right to attend meetings that involve discussing all financial information with an opportunity to ask questions about how their money is being spent.

Board Members should not "hide" information by re-classifying expenses under obscure categories on budget reports.

All expenses should be clearly defined and approved by unit owners.

ie: Using a term such as "special landscaping" to hide 39K in fertilizer costs.

Lines on the Budget should be clearly defined as to what the expense is so that home owners can clearly understand the costs.

Board Members should not approve expenses after an "executive session" when homeowners have been asked to leave the room and do not return for last half of the meeting.

Executive Session is abused because some Associations will have an Executive Session at the middle of every meeting.

Board Members have used this "loop hole" knowing that most home owners do not return to the last half of the meeting.

This is a "tactic" that has been practiced by Board Members to get around the "open meeting" so that they can approve an expense without unit owners being present.

Board Members should not run for a Board Member position just to get "the privilege" to have their own issues and units repaired, before others. A common practice with elected Board Members.

Associations, especially older ones, need to develop a healthy "Reserve Fund", 10 years before they need it.

All too often, roofing siding and windows projects are stalled and postponed because there is not enough money in the reserve fund to do the necessary repairs to protect the buildings. Homeowner are at the mercy of the Board Member.  
If they do not want to spend the money to make urgent repairs, it does not get done.

In many cases, monies that should be put aside for reserves are spent on other expensive projects, merely for esthetics such as expensive sidewalks and costly landscaping.

Associations; try to avoid assessments by postponing and ignoring building projects such as roofing, siding and window leaks but create more problems with maintenance issues and more repairs in addition to lowering the value of our property and addressing the safety and well being of the home owners

It is time for continued legislation to protect the citizens of Connecticut..

**General Assembly Raised Bill No. 5511**

Linda Sanford  
C-18 Surrey Lane  
Torrington, Connecticut 06790

I am in **favor** of **HB5511** concerning the Budget, Special Assessments and Assignments of future income approval process in common interest ownership communities to become effective October 1, 2012.

This bill is essential to assure accountability for the actions of the Executive Board especially concerning the guarantee to fulfill such proposed promised maintenance. Such is stated in proposed **Section 1. ( C ) ( 3 ) The executive board may spend the funds paid on account of the emergency assessment only for the purposes described in the vote.** It has been my experience that special assessments are imposed without following through, for example:

- > **My Issue of Special Assessments: (Assessments of 2006, 2007 and 2010)** The implementation of "Special Assessments" without fruition of work promised needs dire attention. I have expressed my concern over assessments being applied without the promised maintenance issues being fulfilled to (then) Property Manager, of Vision Management Company. These assessments were to address "1/3 to roofs", "1/3 roads" and "1/3 to funds for our capital reserve". As of March 2012, I have not seen any such allocation of funds indicated in our yearly budget to date.

This is a condensed version for your convenience but signifies the importance of assuring "qualified" persons be accountable for their actions with the monies of an entire Common Interest Community.

Hello -

I've been a resident of Heritage Village in Southbury, CT for six years. It seems ironic that after advocating for many years for a direct vote on the annual budget, we are faced with a budget that only 20% of the unit owners voted for, but that one-third of unit owners turned down. If you were living here, would you think that procedure is fair? We don't!

Please pass HB5511. It is the only fair way for condo owners to approve and control the budget process in their condominium associations.

Thank you.

Kathyn Houlihan  
783A Heritage village Southbury, CT 06488

**Testimony in FAVOR of HB5511 with exception  
and ENFORCEABLE laws to protect the  
rights of property owners in Connecticut  
Condominiums by L. Davis**

HB5511 - Section 47-261e should remain unchanged from the existing law. Removing the existing language of Section 47-261e (e). Further, the board should be compelled to use special assessment funds for the exact reasons under which they were approved by the unit owners. In our community, it is alleged that the board, after overthrowing previous board where a large assessment was passed, used the funds to acquire cameras, computer equipment, office machinery, Internet and cable services, etc. Not only was the owners' approved purpose of that assessment misused, but also board failed to permit unit owners to consider or vote on such unneeded items – despite the fact that bylaws require such approval.

Much needs to change on how assessments are presented to owners, approved and used. Here, it appears that the board's acquiring of a near \$2 million "line of credit" loan was "approved" without so much as any real bid. Board manipulated owners and set themselves up as dictators declaring that they "are in charge now".

Unit owners need ENFORCEABLE LAWS to protect them from the misconduct of its board officers as well as the hired property managers. Board members, who are so inclined, bully and defame vendors as well as individual unit owners to promote their own agendas. See CT case FST-CV10-6005949-S and interview the unit owners of my community to understand how being labeled "disgruntled" and bringing non-related matters into court, prevented justice. The secrecy here has now moved to a new level and unit owners' rights to entitled information are denied and board's slander and libel persist.

ENFORCEABLE LAWS – the aforementioned CT judicial case indicates that board deliberately failed to uphold the bylaws, state laws and court requirements. Why pass laws that only those with "deep pockets" can seek justice but may never get it since laws have no teeth?

There are no meeting minutes, no financials of any merit, no real budget or performance to budget provided, no specifics regarding major loan and previous assessment, On the other hand, there are now known to be four separate legal firms being paid from Association funds – specifically, \$6,753.50 was paid to three of these firms with checks dated between Oct 21 2011 and Nov 18 2011. Curiously, the "budget" presented to owners dated Nov 24 2011 provided for only \$2,400 in legal fees. (Our fiscal year runs from July 1 2011 thru June 30 2012 so not only is the budget late to owners but apparent "error" overlooked?) Reason enough to question but board will probably state that such documents are false – which was done in the past. There is so much more on the professional side but will not provide all here.

On the personal side: Association-responsible repairs to my condo unit (the exact same work provide to other units here) have been requested for years are ignored. Statement made some time ago by property manager was: "I do not have approval."

I am slandered and shouted down at meetings, libeled in printed documents sent to owners using Association funds, received perceived threatening letters from now board and another from Association attorney, endured lie after lie, even cyber bullied. Such immature and unprofessional conduct is disregarded by the ever silent majority here as they are "too busy" to be involved, too afraid lest they too "become a target", have had "favors" done by board, or simply do not care as they think being regarded

as "renters" is just a part of condo life. There is so much more but again, will not provide all of it here. Suffice it to say that I am continually urged to bring legal suit against the board.

Unless you have both owned and lived in a condo community such as this, you have little idea of what is endured by some unit owners. I would love to immediately sell my unit; even if there were a buyer, management has put obstacles in the way of its completion – such as failure to provide meeting minutes, financials, etc. to prospective buyer which may result in "no sale."

It is overdue for the State of Connecticut to really listen to those condominium unit owners who dare to speak out – there are not many of us as indicated by my treatment described above – most owners fear board retaliation. Testimony of legal experts, association property managers, and those who profit from employment by such rogue boards and/or failures of law/legal system to protect owners should NOT override what is right and just for all citizens.

Thank you.

Testimony of Michael Caravella  
in FAVOR of HB5511  
to the Judiciary Committee  
March 28, 2012  
10:00Am

To: The Members of the Judiciary Committee

I am in favor of HB5511, except for Section 47-261e, Subsection (e). I would like to state that Subsection (e) of this bill should remain unchanged from the existing law. Removing the existing language of Section 47-261e (e) would **seriously endanger the well being of our common interest communities.** Our Association Unit Owners need to decide how our money is spent not a handful of Board members who maybe motivated by favors & fraud. The votes of the majority of Unit Owners on all and any expenditures needs to be the ruling and put into a statute for the fairness & safety of our money. This will reduce corruption, abuse, deception, malice, discord and fraud of funds from board members, managers, etc. that have control of our money. We Unit Owners in CT have been bamboozled to long and this needs to STOP NOW!!!

Thank you,

Testimony of Mary Jane Paris

In FAVOR of HB5511

For Judiciary Committee Public Hearing

March 29, 2012

10:00AM

To: CT General Assembly Judiciary Committee  
From: Mary Jane Paris  
282 Pheasant Glen, Shelton, CT  
March 28, 2012

RE: CONDO BILL HB5511 AN ACT CONCERNING THE BUDGET, SPECIAL ASSESSMENT AND ASSIGNMENT OF FUTURE INCOME APPROVAL PROCESS IN COMMON INTEREST OWNERSHIP COMMUNITIES.

I support HB5511, except for Section 47-261e, Subsection (e). Subsection (e) of this bill should remain unchanged from the existing law. Removing the existing language of Section 47-261e (e) would seriously endanger the well being of our common interest communities.

**Written Testimony:**

For the past 16 years that I have lived at Sunwood Condos in Shelton, CT, there has been continuous drama, mismanagement, elections that are a joke and business practices that are questionable...to say the least.

Now more than ever, in light of a recent fatal roofing accident here at Sunwood, I am deeply concerned. Although I am unable to attend the public hearing due to business commitments, I am compelled to speak up at this time with a written testimony.

I try to attend as many open Board meetings as possible and it appears to me that the Boards (especially the presidents) have become political tyrants/bullies. Much of the behavior by the President is rude, condescending, hostile and very inappropriate in many cases, especially to those owners who question and/or ask for deeper explanation.

They seem to have taken advantage of their position and have given themselves way too much power & influence (by intimidation) over other Board members and those owners attending open board meetings. I am also concerned about the carte blanche power and authority (without proper accountability) given to the property management company and its agent by the Board.

As residents/owners, we need much more regulation, transparency and truth regarding the following:

- The process regarding the proper vetting of prospective management companies, their experience & track record, background checks of principles, etc. before contracting with them
- Board & management company decisions
- Detailed Board meeting minutes including *all* topics & items discussed & recorded on tape – not a combed version
- A limit on management company fees, power & authority
- How vendors/contractors are selected
  - How to better control, validate and oversee that proposed/hired contractors have proper licensing, insurance, etc. and that these important documents are current and in force throughout the project's life to completion
- How our condo fees/budget monies are to be used, managed and accounted for according to *standard accounting principles* rather than hard to decipher reports using “creative accounting” – transparency & common sense explanations of line items & expenses
- More accountability by management companies as the fiduciary for the association
- Association check book records available for review by condo owners with the ability to question transactions
- Regular updates on outstanding work orders, especially when owners contact the Board and/or management company directly for these updates.

I think it's important to have state statutes/laws and a state agency/organization/ombudsman that:

- Supports and works on behalf of condo owners
- Gives owners more of a voice in affecting positive change in our condo communities
- Provides clear rules for transparency in budget reporting and more accountability to the owners by the management company and the Board
- Provides clear statutes with the support/council of an ombudsman to help owners ask the right questions in pursuit of the truth and help us get the truthful responses we deserve from the Board and property manager in a timely manner.

March 28, 2012

To: CT General Assembly Judiciary Committee  
 From: Kathleen Benedetto  
 81 Blackbirch Court, Shelton, CT

5511  
HB 5511  
HB 5536

RE: Written Testimony for Public Hearing March 29, 2012

I have resided at Sunwood Condominiums in Shelton, CT for 8 years and have witnessed abusive boards, "fixed" elections, property mismanagement and, most recently, inappropriate behavior on the part of the management company and it's affiliates. Due to a conflict in my work schedule, I am unable to attend the public hearing, but feel a moral and ethical obligation to speak up at this time with a written testimony.

On February 14<sup>th</sup>, a worker on a roof in our complex fell to his death. Most of the homeowners either read about this in the newspaper or learned about it on the news that evening. Our management company failed to notify us of this unfortunate accident and questions regarding insurance, contracts, permits, licenses, etc remain unanswered. According to an announcement made by one unit owner at a board meeting, both the board and the management company were notified that the workers were working without fall protection.

We recently held an election for two vacancies on our board and two of the candidates were "targeted" for asking for full disclosure of accounting and assessment records. Our management company attended the "meet the candidates" evening passing out letters criticizing certain individuals for asking inappropriate and unprofessional questions. Proxies were labeled "invalid" without explanation, friends of candidates watched as ballots were being counted, and other actions of various board members remain extremely questionable.

Our board President has taken advantage of his position and "bullies" other board members and many unit owners. Our management company only answers to the President....we are all at the mercy of these two individuals. We have witnessed their rudeness, hostility and anger when asking for information that we have the right to know and they have the obligation to provide.

As residents/owners, we need much more regulation, transparency and truth regarding the following:

- The process regarding the proper vetting of prospective management companies, their experience & track record, background checks of principles, etc. before contracting with them
- Board & management company decisions
- Detailed Board meeting minutes including *all* topics & items discussed & recorded on tape – not a combed version
- A limit on management company fees, power & authority
- How vendors/contractors are selected
  - How to better control, validate and oversee that proposed/hired contractors have proper licensing, insurance, etc. and that these important documents are current and in force throughout the project's life to completion

- How our condo fees/budget monies are to be used, managed and accounted for according to *standard accounting principles* rather than hard to decipher reports using “creative accounting” – transparency & common sense explanations of line items & expenses
- More accountability by management companies as the fiduciary for the association
- Association check book records available for review by condo owners with the ability to question transactions
- Regular updates on outstanding work orders, especially when owners contact the Board and/or management company directly for these updates.

I think it's important to have state statutes/laws and a state agency/organization/ombudsman that:

- Supports and works on behalf of condo owners
- Gives owners more of a voice in affecting positive change in our condo communities
- Provides clear rules for transparency in budget reporting and more accountability to the owners by the management company and the Board
- Provides clear statutes with the support/council of an ombudsman to help owners ask the right questions in pursuit of the truth and help us get the truthful responses we deserve from the Board and property manager in a timely manner.

#### RE: CONDO BILLS

HB5536 AN ACT CONCERNING REQUIREMENTS FOR CERTIFICATION AS A COMMUNITY ASSOCIATION MANAGER, LICENSURE AS A REAL ESTATE BROKER OR SALESPERSON AND ORGANIZATION OF A UNIT OWNERS' ASSOCIATION.

I support HB5536, except that I would like to see more provisions in this bill to better protect unit owners. I would like to see mandatory background checks for all property managers as is the case in the new banking statute SB1109. Given the extent of financial responsibility a property manager has, there is a need for more teeth in this bill. In light of recent news of property manager misconduct involving, in some cases, very experienced property managers, who have effectively stolen money from associations, I believe it is important to support this bill and the additional security of background checks. Also, managers who are paid should be subject to the same certification, training and background checks.

HB5511 AN ACT CONCERNING THE BUDGET, SPECIAL ASSESSMENT AND ASSIGNMENT OF FUTURE INCOME APPROVAL PROCESS IN COMMON INTEREST OWNERSHIP COMMUNITIES.

I support HB5511, except for Section 47-261e, Subsection (e). Subsection (e) of this bill should remain unchanged from the existing law. Removing the existing language of Section 47-261e (e) would seriously endanger the well being of our common interest communities.

Testimony of Kathleen Benedetto

In FAVOR of HB5511

For Judiciary Committee Public Hearing

March 29, 2012

10:00AM

**HB5511 AN ACT CONCERNING THE BUDGET, SPECIAL ASSESSMENT AND  
ASSIGNMENT OF FUTURE INCOME APPROVAL PROCESS IN COMMON INTEREST  
OWNERSHIP COMMUNITIES.**

I support HB5511, except for Section 47-261e, Subsection (e). Subsection (e) of this bill should remain unchanged from the existing law. Removing the existing language of Section 47-261e (e) would seriously endanger the well being of our common interest communities.

**Kathleen Benedetto  
81 Black Birch Court  
Shelton, CT 06484**

I have resided at Sunwood Condominiums in Shelton, CT for 8 years and have witnessed abusive boards, "fixed" elections, property mismanagement and, most recently, inappropriate behavior on the part of the management company and it's affiliates. Due to a conflict in my work schedule, I am unable to attend the public hearing, but feel a moral and ethical obligation to speak up at this time with a written testimony.

On February 14<sup>th</sup>, a worker on a roof in our complex fell to his death. Most of the homeowners either read about this in the newspaper or learned about it on the news that evening. Our management company failed to notify us of this unfortunate accident and questions regarding insurance, contracts, permits, licenses, etc remain unanswered. According to an announcement made by one unit owner at a board meeting, both the board and the management company were notified that the workers were working without fall protection.

We recently held an election for two vacancies on our board and two of the candidates were "targeted" for asking for full disclosure of accounting and assessment records. Our management company attended the "meet the candidates" evening passing out letters criticizing certain individuals for asking inappropriate and unprofessional questions. Proxies were labeled "invalid" without explanation, friends of candidates watched as ballots were being counted, and other actions of various board members remain extremely questionable.

Our board President has taken advantage of his position and “bullies” other board members and many unit owners. Our management company only answers to the President....we are all at the mercy of these two individuals. We have witnessed their rudeness, hostility and anger when asking for information that we have the right to know and they have the obligation to provide.

As residents/owners, we need much more regulation, transparency and truth regarding the following:

- The process regarding the proper vetting of prospective management companies, their experience & track record, background checks of principles, etc. before contracting with them
- Board & management company decisions
- Detailed Board meeting minutes including *all* topics & items discussed & recorded on tape – not a combed version
- A limit on management company fees, power & authority
- How vendors/contractors are selected
  - How to better control, validate and oversee that proposed/hired contractors have proper licensing, insurance, etc. and that these important documents are current and in force throughout the project’s life to completion
- How our condo fees/budget monies are to be used, managed and accounted for according to *standard accounting principles* rather than hard to decipher reports using “creative accounting” – transparency & common sense explanations of line items & expenses
- More accountability by management companies as the fiduciary for the association
- Association check book records available for review by condo owners with the ability to question transactions
- Regular updates on outstanding work orders, especially when owners contact the Board and/or management company directly for these updates.

I think it's important to have state statutes/laws and a state agency/organization/ombudsman that:

- Supports and works on behalf of condo owners
- Gives owners more of a voice in affecting positive change in our condo communities
- Provides clear rules for transparency in budget reporting and more accountability to the owners by the management company and the Board
- Provides clear statutes with the support/council of an ombudsman to help owners ask the right questions in pursuit of the truth and help us get the truthful responses we deserve from the Board and property manager in a timely manner.

Testimony in FAVOR of HB5511  
By Connecticut Condo Owners Coalition  
For Judiciary Committee  
March 29, 2012



## The Other Side of Condo Living

Posted by Judy Rudikoff

February 22, 2012

NEWS RELEASE

For Immediate Release  
For: Connecticut Condo Owners Coalition  
Contact: Judith Rudikoff  
Volunteer, Connecticut Condo Owners Coalition  
Phone: 203-333-8408  
Email: [ctcondoowners@yahoo.com](mailto:ctcondoowners@yahoo.com)

Hartford: February 22, 2012

### The Other Side of Condo Living

A recent survey by the Connecticut Condo Owners Coalition (CCOC) has provided documentation of a long ignored, pervasive and continuing problem in the relationship that begins when an individual buys a condo or time share, and is then subject to governance by the condo's board and management. Few prospective owners walk into this relationship fully informed about how their lives will be affected by the by-laws, rules and decisions that will be made on their behalf and with which they must comply or risk being fined.

Connecticut currently has no legislation with teeth that will protect these owners. The Common Interest Ownership Act, approved in 2009 and which went into effect in July 2010, does not provide a means of resolving owners problems with their association's board of directors or with their management company.

There is little recourse for these owners without incurring expensive legal fees. Few can afford such fees; many are elderly who have given up their homes to live in the anticipated comfort of a condominium, only to find out that significant decisions about their living conditions – their quality of life - are being made by relative strangers without their input or agreement.

Harvard Business School researcher Peter Blackshaw, MBA '95, who co-developed PlanetFeedback.com, a website where consumers can complain, compliment, question, suggest, and view ratings on different companies, stated: "We know from research that only 1 consumer in 25 will take the time to write or call to complain or compliment a company." (<http://hbswk.hbs.edu/archive/2076.html>).

Confirming this finding, studies done by TARP Worldwide, an international market research firm based in Alexandria, VA, finds that for every irritated customer who complains, 26 do not, even though they have grievances. That means that if a company receives 10 customer complaints, there are probably 260 customers out there who have complaints but don't voice them...at least not to the company. The reality is you probably don't know how many dissatisfied customers you have because many dissatisfied customers do not complain ([http://www.rctaylor.com/Images/The\\_Price\\_of\\_a\\_Dissatisfied\\_Customer.pdf](http://www.rctaylor.com/Images/The_Price_of_a_Dissatisfied_Customer.pdf)).

CCOC concludes that the grievances voiced by owners in their recent survey are only the tip of the iceberg. Connecticut has approximately 4000 condominium associations, with over 250,000 owners – which is a significant percentage of the state's total population.

CCOC has also been told, too often, that owners, particularly the elderly, are afraid to complain publicly for fear of retribution by their board.

The most common problems facing condo owners, as reported in the survey, include being denied access to the financial statements and other documents held by the Board - boards do not comply with the Ownership Act passed in 2009, regarding transparency, the need to post minutes and to make financial records available; boards deny reimbursement for improvements to owners' units that, according to their by-laws, are costs that should be borne by the association; walks and parking areas, common areas, are not kept free of ice and snow, presenting a hazard to owners, particularly the elderly; more than half the respondents said their boards do not hold regular open meetings to conduct routine business, often these meetings are the only opportunity owners have to speak to the Board and not enough time is allowed to speak without interruption; owners are not encouraged to participate in committees; communication from the board is inadequate. A major complaint was of abusive verbal treatment on the part of board members toward owners – again, the elderly are frequently the victims.

Board members are elected by the owners. There is no standard, no qualifications for serving on association boards, and often the less qualified win these positions because they are 'friends' of the president, rather than because they bring good skills to the position. Nor are they required to be familiar with their association's by-laws, much less with state regulations. It then becomes the responsibility of the property managers to ensure that their boards are complying with the law. However, property managers are hired by, and report to, the board – a relationship that hardly promotes keeping them in line.

Many owners have moved from their own homes to a condo, with expectations of a well-maintained environment that relieves them of the burden of caring for their own homes. But they now find that while previously they wrote the checks and got to look at their own checkbooks, arranged and paid for their insurance coverage, made their own decisions on improvements (or not) they are now subject to the rules of an association that often allows little to no input on important decisions. They've lost control of their immediate world.

Owners often voice the wish that they could sell their units and move, however, given plunging condo prices, they can't afford to take the loss, and so are trapped.

These problems are not unique to Connecticut.

There is ample evidence of the need for a Condo Ombudsman to protect unit owners. States like Florida, Nevada, and others have already passed laws to help condo owners with disputes. New York continues to look

at a co-op and condo ombudman bill, <http://open.nysenate.gov/legislation/bill/S395-2011> and a Property Manager Licensing Bill, <http://open.nysenate.gov/legislation/bill/A2582-2011>.

In other states there are systems established to handle condo owner disputes. In Montgomery County, Maryland, Chapter 10B of the County Code creates a dispute resolution process that includes formal hearings, much like trials in the Small Claims Court, and these hearings can result in legally-binding decisions which the County can enforce in court against the parties. Homeowners can also seek assistance in Prince George's County and Charles County, Maryland. In Virginia, the Common Interest Community Ombudsman can help resolve disputes.

CCOC has submitted a bill to the CT Legislature which would, in addition to other provisions, provide for an ombudsman who would mediate issues between condo owners and their association boards and management companies. There is no agency at present to provide relief to the owners.

The Connecticut Condo Owners Coalition is a grass roots organization comprised of condo owners. Its purpose is to lobby for legislation to help owners in their disputes with association boards and management. CCOC charges no fees for membership. For further information, please consult the website: [www.wix.com/ctcondoowners/ccoc](http://www.wix.com/ctcondoowners/ccoc) or e-mail [ctcondoowners@yahoo.com](mailto:ctcondoowners@yahoo.com).

###

Sterling Village Condo Association

My name is Doreen Camp and I am a condo owner as well as a past board member of a large association in Meriden. I joined the CT Condo owners Coalition to pursue legislative change and reform for condo owners.

It's critical for condo owners who have suffered from Associations mismanagement and irregularities in procedures to have legislative support for resolution. There should be recourse for unit owners who are confronted with boards and Property Managers' who ignore the by-laws and Conn State Statues.

**The following are examples of inappropriate association behavior I have witnessed:**

- \*Board of 5 which frequently only 1-2 are making decisions – (No quorum).
- \*Decisions being made outside scheduled meetings and in closed sessions.
- \*Special Meetings adding items not noted to addenda.
- \*Board refusing to conference board members and residents in meetings.
- \*Legal letters from Residents attorney's ignored by association and association attorney.
- \*Board members denied copies of delinquency reports.
- \*Amenities not maintained and neglected.
- \*President handling minutes of meetings and not the Secretary.
- \* Elimination of Board Walks
- \*Special Assessment delinquencies not leaned or assessed late fee and finance charges.

In today society, it is unacceptable for human beings to bully others. It's is unacceptable for condo owners here in the state of Connecticut to be bullied by their associations as well. It's clearly evident this kind of behavior cannot be tolerated. We need reform, resolution and ombudsmen to help protect our rights. It would also be beneficial to have mandated term limits on all board members which will ultimately reduce the massive conflicts.

Thank You for your attention and support

Testimony in support of the passage of

HB 5511 AN ACT CONCERNING THE BUDGET, SPECIAL ASSESSMENTS AND ASSIGNMENT OF FUTURE INCOME APPROVAL PROCESS IN COMMON INTEREST OWNERSHIP COMMUNITIES.

Proposed to the Joint Judiciary Committee

By June Verrastro

Address 877A Heritage Village

Southbury CT 06488

Phone 203-264-8234

I would like firstly to thank the chairman and vice chairman and all the members of the Joint judiciary committee for their forbearance and attention in this matter.

Honored Senators and Representatives of the Ct. General Assembly and members of this community I would personally like to attest to the fact that; on the last budgetary vote in Heritage Village the following scenario occurred:

- A) Of the 2,580 unit owners with a vote only 1,786 were voted
- B) Of those who voted 1,199.961 unit owners vote to reject the proposed budget meaning 72% of the voters
- C) There were 594.419 votes to accept the budget meaning 33% of those who actually voted
- D) 40 ballots were disqualified for reasons unbeknownst to us
- E) The budget however was approved as 754 units not voted were counted as yes votes

Ladies and Gentlemen as you can see from the above numbers the residents who take the greatest interest in our condominium have essentially been victimized by the current law: furthermore, it is counterintuitive to consider a failure to vote as anything but an abstention and should not be taken as a yea or a nay vote. I put it to you Honorable Members of this Committee regardless of party affiliation if this type of law were used in a general election and a failure of a registered voter to vote was counted as a vote for your opposing candidate you would feel as we do that the rule of law and the democratic process had been violated! Lastly the budgetary vote issue is resolved by HB 5511 however subsection e) is not acceptable as written and should remain unchanged!

I wish again to thank the members of this committee and plead to you that HB 5511 be passed to the general assembly and not die in committee.

Testimony in support of the passage of

HB 5511 AN ACT CONCERNING THE BUDGET, SPECIAL ASSESMENTS AND ASSIGNMENT OF FUTURE  
INCOME APPROVAL PROCESS IN COMMON INTEREST OWNERSHIP COMMUNITIES.

Proposed to the Joint Judiciary Committee

By: Richard Giordano

Address: 864B Heritage Village

Southbury CT 06488

Phone 203-405-1915

I would like to thank the chairman, vice chairman and members of the Joint Judiciary committee for their attention to this matter. I am presenting this argument in support of the passage of HB 5511.

My wife and I have been somewhat complacent residents at Heritage Village for almost four years but the most recent budget passed by the Heritage Village Masters Association was an outrageous 'slap in the face' to say the least.

The results of the budget held in the fall of 2011 were as follows:

- 1,786 out of 2,580 unit owners actually cast their ballots; a majority of almost 70%.
- 1,199.961 voted to reject the proposed budget; a majority of 67% of votes cast.
- 594.419 voted to accept the proposed budget; a minority of 33% of votes cast.
- A small number of ballots cast were disqualified for various non-specific reasons.

However, since the remaining unreturned ballots were counted as yes votes, the budget was passed by a simple majority. To complicate and perhaps skew the matter votes are weighted proportionately according to the size of each type of property. For example the owner of a smaller unit may have a vote count of 0.8 while the owner of a larger unit would count as 1.2 votes.

One can only speculate as to why some owners didn't even bother to vote. I suspect that since some of the properties are rented or leased the owners may not have received their ballots; some may think that an uncast vote isn't counted at all as in a general election; or ballots were misplaced or forgotten.

Something as important as a budget that affects all property owners should not be treated so lightly in a proxy manner. The meaning or intent of an unreturned vote should never be construed or assumed. This is why I urge that bill number HB 5511 be passed onto the general assembly to hopefully put an end to this unfair and deceptive practice. Thank you.

Sincerely,  
Richard Giordano

## Testimony in Support of the Passage of

HB 5511 AN ACT CONCERNING THE BUDGET, SPECIAL ASSESSMENTS AND  
ASSIGNMENT OF FUTURE INCOME APPROVAL PROCESS IN COMMON INTEREST  
OWNERSHIP COMMUNNUTUES.

Proposed to the Judiciary Committee

Name of unit owner: \_\_\_\_\_ MICHAEL SCHWARTZ \_\_\_\_\_

Address of unit owner: \_\_\_\_\_ 754 A \_\_\_\_\_ Heritage Village

Southbury, CT. 06488

Phone number of unit owner: \_\_\_\_\_ 203-264-3405 \_\_\_\_\_

I would like to thank the Chairman, Vice Chairman and all of the members of the Judiciary Committee for their consideration in this matter.

I would like to attest to the fact that during the last budgetary vote for the 2012 Budget year in Heritage Village the following occurred.

The majority of the unit owners who voted (better than 2 to 1) rejected the budget and yet it passed due to the fact 754 unit owners did not vote therefore counted as a yes vote. The majority interests are not being served by the budget passing.

Ladies and gentlemen of the Judiciary please pass HB 5511 to the General Assembly and that it not die in committee.

Sincerely,

Unit Owner: \_\_\_\_\_ Michael Schwartz \_\_\_\_\_

Date: March 28, 2012

From: Andrew B Burns; andrewburns@juno.com, 203-262-8245  
790B Heritage Village, Southbury CT 06488-5323

To: CT CGA Judiciary Committee Members

Subject: TESTIMONY re HB 5511

To Judiciary Committee Members:

Of each and every one of you I ask:

If you voted "present" on a legislative bill or if you did not vote at all on such bill, would you be offended to discover that your simple eligibility to vote on the bill got treated as an affirmative vote on the bill?

I would too!

Very much so!

I urge you to vote in favor of HB 5511

*Andrew Burns*

I disagree with the current state law that states that all ballots not returned are counted as yes votes in favor of the budget.

I am here giving testimony in favor of Bill 5511, an act concerning the Budget, Special Assessment and Assignment of Future Income Process in Common Ownership Communities.

Joanne F. Moryl  
57C Heritage Village  
Southbury, CT 06488  
203-264-9671

Testimony in support of the passage of

HB 5511 AN ACT CONCERNING THE BUDGET, SPECIAL ASSESSMENTS AND ASSIGNMENT OF FUTURE  
INCOME APPROVAL PROCESS IN COMMON INTEREST OWNERSHIP COMMUNITIES.

proposed to the Joint Judiciary Committee

By Maxine Nelson

Address 318E Heritage Vlg.

Southbury CT 06488

Phone 203-262-6992

I would like to thank the chairman and vice chairman and all the members of the Joint judiciary committee for their forbearance and attention in this matter.

Honored Senators and Representatives of the Ct. General Assembly and members of this community I would personally like to attest to the fact that on the last budgetary vote in Heritage Village the following scenario occurred:

- A) Of the 2,580 unit owners with a vote only 1,786 were voted
- B) Of those who voted 1,291 unit owners vote to reject the proposed budget meaning 72% of the voters
- C) There were 595 votes to accept the budget meaning 33% of those who actually voted
- D) 40 ballots were disqualified for reasons unbeknownst to us
- E) The budget however was approved as 754 units not voted were counted as yes votes

Ladies and Gentlemen as you can see from the above numbers the residents who take the greatest interest in our condominium have essentially been victimized by the current law: furthermore, it is counterintuitive to consider a failure to vote as anything but an abstention and should not be taken as a yea or a nay vote.

I wish again to thank the members of this committee and ask you that HB 5511 be passed to the general assembly and not die in committee.

Sincerely,

*Maxine Nelson*

Maxine Nelson

*March 25, 2012*

Testimony in support of passage of

HB 5511 an act concerning the budget, special assessment's and assignment of future income approval process in common interest ownership communities

Proposed to the Joint Judiciary Committee

By David Masi  
Address: 841-A Heritage Village  
Southbury, CT 06488  
Phone 203-264-9045

Gentlemen if you find it your heart with common sense that this Bill HB 5511 should be passed, it would take a burden off the Seniors in Heritage Village.

PS: Vote with your Heart, not your purse strings.

Thank you Mr. Chairman and Vice Chairman and the Joint Judiciary.

Testimony in support of the passage of

HB 5511: AN ACT CONCERNING THE BUDGET

Proposed to the Judiciary Committee

Name of unit owner: William Courtland  
Name of unit owner: Vel Courtland

Address of unit owner: 886B Heritage Village  
Southbury, CT. 06488

Phone Number of Unit Owner: (203) 405-1224

I would like to thank the Chairman, Vice Chairman and all of the members of the Judiciary Committee for their consideration in this matter.

I would like to attest to the fact that during the last budgetary vote in Heritage Village the majority of the unit owners who voted (better than 2 to 1) rejected the budget and yet it passed due to the fact that the unit owners who did not vote were counted as a yes vote. The majority interests of unit owners are not being served in Heritage Village.

Ladies and gentlemen of the Judiciary please pass HB 5511 to the General Assembly and make sure it does not die in committee.

Sincerely,

Unit Owners: William Courtland  
Vel Courtland

Testimony in support of HB 5511 an act concerning the  
Budget, Special Assessment and Assignment of Future Income  
Process in Common Ownership Communities.

We disagree with the Current state law.

Hermann J. & Ann M. Irrek  
1A Heritage Village  
Southbury, CT 06488  
Phone # 203-267-5965

Testimony of  
William Kerens  
Before the Judiciary Committee  
Thursday, March 29, 2012

Subject: Raised Bill #5511 – A proposed Act concerning the budget and any special assessment

Under existing law a proposed budget and certain special assessments are deemed approved unless rejected by unit owners having a majority of the total voting power in the association. Raised Bill #5511 proposes to reduce the vote needed to reject the budget or special assessment from a majority of the total voting power to a majority of the total votes cast, unless the Declaration of the Association specifies a higher number.

This does not appear to be well thought out legislation because it gives a minority the power to prevail over the majority, especially since there is no minimum quorum required. If, at a meeting held for this purpose, only one owner showed up or, in the event of a mail ballot, only one ballot was received, the budget or assessment covering the entire community could be rejected by one person.

The assessment portion of the proposed bill is of lesser concern than the budget portion because special assessments that do not exceed the budget by 15% cumulatively during a calendar year do not require owner approval. However, any assessment over this amount could be subject to rejection by the same minority vote as described in the preceding paragraph. (Note: It would also appear to be more sensible to replace the wording "calendar year" with the wording "fiscal year" because the budget of an association does not necessarily cover a calendar year.)

This proposed legislation, if adopted, will have no affect upon the Legend Hill Condominium Association because it only applies to those Associations whose Declaration does not specify a higher numerical voting requirement. The Declaration of Legend Hill does specify the higher requirement contained in the current existing law.

The main purpose of this letter is to stop the proliferation of less than satisfactory legislation relative to condominiums which started with various amendments to the Uniform Common Interest Ownership Act contained in Public Act #09-225 effective July 1, 2010. I urge you to vote against Raised Bill #5511 if it prevails in its present form.

Sincerely,

William E. Kerens  
President, Legend Hill Condominium Association  
107 Legend Hill  
Madison, CT 06443

This testimony is in support of the passage of the HB5511 Act proposed to the Joint Judiciary Committee.

HB5511 An Act Concerning the Budget, Special Assessments and Assignment of Future Income Approval Process in Common Interest Ownership Communities.

Testimony by

Elizabeth and Nicholas Bianco  
667A Heritage Village  
Southbury, CT 06488

203-405-1674

We would like to thank the Chairman and Vice Chairman and all members of the Joint Judiciary Committee for their attention to this matter.

Honored Senators and Representatives of the Connecticut General Assembly and members of this community, we personally attest to the fact that on the last budgetary vote in Heritage Village, the following scenario occurred:

1. Of the 2500 unit owners eligible to vote, only 1786 owners voted.
2. Of those who voted, 1200 unit owners rejected the proposed budget.
3. There were 594 votes to accept the budget.
4. The budget was approved even though 72% of the unit owners, who voted, **rejected the budget**. The 754 unit owners who did not vote were counted as "yes" votes for the budget.

Honorable Members of this Committee, we request that you support this proposal which will bring fairness to the budgetary process for common interest ownership communities. There is a feeling of helplessness and resentment that our votes do not count. Why should the approval process for a condominium be any different than a general election?

If the general election was decided by people who did not vote, our state would be in trouble. My sincere appreciate for all the work you put into this matter. You can make a difference for those of us who believe in democracy, in our government, and in the laws which rule our homestead.

Respectfully submitted,

Elizabeth and Nicholas Bianco

I submit this testimony in support of HB 5511. I disagree with the current state law that states all ballots not returned are counted as yes votes in favor of the budget.

I live in Heritage Village, Southbury, CT where the majority of voting residents voted not to increase the budget but were defeated because non-voting people were counted automatically for the budget. This is not fair.

Our monthly maintenance fees, therefore, keep going up and up every year. There is no end in sight.

Hope you can manage to change the law.

Ilse Grant  
673A Heritage Village  
Southbury, CT 06488

I, Jordano Quaglia resident at 19 Traditions Blvd in Southbury, 203) 264-0684, would like to support HB 5511, a bill that would reverse the law as it stands now that make unlawful absences to be counted as a "Yes" vote. The result appears as a matter of fact and does not really express our democratic vote. Absence should mean a "NO".

That action from HOAs is pure extracting money from most people without their expressed agreement.

Sincerely,

Jordano Quaglia, Dr.

**HB 5511 – An act concerning the Budget, Special Assessment and Assignment of Future Income Approval Process in Common Interest Ownership Communities**

Testimony presented by

Terry Sullivan (John T. Sullivan)  
453 A HERITAGE VILLAGE  
SOUTHBURY CT 06488  
(203) 525-6262

I am opposed to the changes to Chapter 828 Section 47-261e subsections (a) and (b) of the Connecticut General Statutes, or the Common Interest Ownership Act. Changing action on the condominium's budget from a majority of owners to a majority of those voting is not in the best interests of the owners at large. A condominium community by definition is a community where all the residents cooperate with one another and act for the good of all. Adequate resources must be provided so that the interests of the community are preserved.

The resources of a condo are the people who are owners of common interest, and provide the required funds to maintain the community. All owners must contribute to an adequate budget for the condo's operation, not just those who return ballots. All owners benefit from the services provided: landscaping, roads, sidewalks, facilities, security and especially exterior maintenance—including roofs, siding, painting, etc. These are the necessities that reflect the value of condominium living, and the amenities that usually draw the unit owners to the community in the first place.

It has been alleged that the current law is undemocratic. I do not believe that is the case. Democracy requires informed decision making by many people—in this case the unit owners. I believe the current law is democratic. The decisions on the annual budget (or special assessment) are made by a majority of all the unit owners. All unit owners have the opportunity to participate in the democratic decision to reject or approve the annual budget. Many people express their opinion of the budget when they participate in informational meetings prior to the budget vote, because they know that democracy relies on being informed on the issues. These owners express their opinions both pro and con, and they discuss the issues with others. These owners reflect the best interests of the community at large when they cast their vote. Again all owners have that opportunity and responsibility.

The current system of voting is democratic because all owners have the chance to participate. There are some owners who, for reasons of their own, choose not to participate in the democratic voting process. Any owners who do not vote have abrogated their responsibility to the community. It is undemocratic for those owners not to participate and to block the will of the owners who do vote.

This is what democracy is about. All owners benefit by being members of the community whether they vote or not. It is their duty to share in the preservation of that community whether they vote or not. ***Please reject the changes to subsections (a) and (b).***

***I support the proposed language change in subsection (e).***

Thank you.

Terry Sullivan  
453A HERITAGE VILLAGE  
(PEARSON LN)  
SOUTHBURY CT 06488  
Phone: 203-525-6262

I am writing in support of HB 5511, to please change the rules regarding the votes on the budget as they now stand. It is a great disservice to condo owners that those that do not vote on condo budgets should be considered as a yes vote. Here in Heritage Village in Southbury Ct. we have had 18 years of increased monthly maintenance fees without any regard to those who must pay these ever increasing fees on fixed income. In small condos, the management has contact with and is influenced by different concerns expressed by owners. Here, with over 2500 different units there is little or no contact with those who represent the management for us. I have never heard of any election where those NOT voting are considered to be in agreement with what ever the vote is for as is now law for condos here in Ct. Please give us the same power that those who do vote have on any election outcome. As it now stands those of us concerned enough to vote are ignored by management as their ace in the hole is the fact that many older people can not and a few simple do not care enough to vote. Please bring some fairness to us by permitting a majority vote to count, as in any other election in the United States. Thank you in advance for your efforts,

Adele Walter  
Heritage Village  
Southbury Ct.

Testimony in support of the passage of

HB 5511 AN ACT CONCERNING THE BUDGET, SPECIAL ASSESSMENTS AND ASSIGNMENT OF FUTURE  
INCOME APPROVAL PROCESS IN COMMON INTEREST OWNERSHIP COMMUNITIES.

proposed to the Joint Judiciary Committee

By Sandra Milgrim

Address 875A Heritage Vlg.

Southbury CT 06488

Phone 203-264-0161

I would like firstly to thank the chairman and vice chairman and all the members of the Joint judiciary committee for their forbearance and attention in this matter.

Honored Senators and Representatives of the Ct. General Assembly and members of this community I would personally like to attest to the fact that on the last budgetary vote in Heritage Village the following scenario occurred:

- A) Of the 2,580 unit owners with a vote only 1,786 were voted
- B) Of those who voted 1,199.961 unit owners vote to reject the proposed budget meaning 72% of the voters
- C) There were 594.419 votes to accept the budget meaning 33% of those who actually voted
- D) 40 ballots were disqualified for reasons unbeknownst to us
- E) The budget however was approved as 754 units not voted were counted as yes votes

Ladies and Gentlemen as you can see from the above numbers the residents who take the greatest interest in our condominium have essentially been victimized by the current law. In what town, city or national election in these United States, does a vote get counted as a "yes" or "For" or "against" when a vote is not cast? A failure to vote simply means that the person who failed to vote does not get his or her opinion, one way or the other counted. If this type of law were used in any kind of election in this country and a voter did not vote yet his/her vote was counted as a "yes" or "for" for one candidate, what would the outcome be for the opposing candidate? The bottom line is that our democratic process has been violated and this law must be changed so that those who vote have their votes counted and those who do not vote have no say in the outcome.

I wish again to thank the members of this committee and plead to you that HB 5511 be passed to the general assembly and not die in committee.

Sincerely, Sandra Milgrim

Testimony in support of the passage of

HB 5511 AN ACT CONCERNING THE BUDGET, SPECIAL ASSESSMENTS AND ASSIGNMENT OF FUTURE  
INCOME APPROVAL PROCESS IN COMMON INTEREST OWNERSHIP COMMUNITIES.

Proposed to the Joint Judiciary Committee

By Charles G. Vochis

858A Heritage Village

Southbury CT 06488

Phone 203-264-9469

I would like to thank the chairman and vice chairman and all the members of the Joint judiciary committee for their forbearance and attention in this matter.

Honored Senators and Representatives of the Ct. General Assembly and members of this community I would personally like to attest to the fact that on the last budgetary vote in Heritage Village the following occurred:

- A) Of the 2,580 unit owners with a vote only 1,786 were voted.
- B) Of those who voted 1,199.961 unit owners voted to reject the proposed budget meaning 72% of the voters.
- C) There were 594.419 votes to accept the budget meaning 33% of those who actually voted.
- D) 40 ballots were disqualified for reasons unknown.
- E) The budget however was approved as 754 units not voted were counted as yes votes.

Ladies and Gentlemen as you can see from the above numbers the residents who take the greatest interest in our condominium have essentially been victimized by the current law: furthermore, it is counterintuitive to consider a failure to vote as anything but an abstention and should not be taken as a yea or a nay vote. I put it to you Honorable Members of this Committee regardless of party affiliation if this type of law were used in a general election and a failure of a registered voter to vote was counted as a vote for your opposing candidate you would feel as we do that the rule of law and the democratic process had been violated!

I wish again to thank the members of this committee and plead to you that HB 5511 be passed to the general assembly and not die in committee.

Sincerely,

Charles G. Vochis

Testimony in support of the passage of

HB 5511 AN ACT CONCERNING THE BUDGET, SPECIAL ASSESSMENTS AND  
ASSIGNMENT OF FUTURE

INCOME APPROVAL PROCESS IN COMMON INTEREST OWNERSHIP COMMUNITIES.

Submitted to the Joint Judiciary Committee

By Joseph B. Iassogna

Address 156A Heritage Vlg.

Southbury CT 06488

Phone 203-405-1385

Thank you to the chairman and vice chairman and all the members of the Joint judiciary committee for your attention to this matter which in the past year has proven to be as un-democratic a procedure as one can possibly think of as shown in the following scenario as it played out in the Heritage Village budgetary voting process.

- A) With 2,580 unit owners eligible to vote, 1199.961 votes were needed to reject the budget (50% +1)
- B) Even though 1786 ballots were returned (69% turnout) that meant 72% of the 'turnout' was needed for rejection. Imagine if municipal budgets were voted on in this manner.
- C) There were 594.419 votes to accept the budget meaning 33% of those who actually voted were in favor and 67% against it but because of the law, the 754 owners who weren't interested enough to vote, skewed the passage of the budget.

Ladies and Gentlemen as you can see from the above numbers the residents who take the greatest interest in our condominium have essentially been victimized by the current law. A failure to vote is nothing but an abstention and should not be taken as a yea or a nay vote. I request that the members of this committee, regardless of party affiliation, recognize that if this type of law were used in a general election and a failure of a registered voter to vote on a question on the ballot was counted as a vote for your opposing view, you would feel as violated as we do.

Please pass HB 5511 to the general assembly and do not let it die in committee.

Respectfully submitted,

Joseph B. Iassogna

I submit this testimony in support of HB 5511

I completely agree with you that a budget should be approved by a majority of the unit owners voting, and, if a unit owner does not vote, it should not automatically count as a "yes" vote to approve the budget. This is not the democratic way!

Thank you for your time.

Susan R. Mahoney  
535E Heritage Village  
Southbury, CT 06488

I am an owner of a condo at Heritage Village. I am opposed to HB 5511. I believe that a budget will never pass if the system is changed. For over forty years Heritage Village has depended on the Trustees that are voted into office from each Condo. The Trustees go through a long process they hold hearings and work with the Finance Committee and the Village Manager to develop the budget. There are a number of residents who are not the least bit active in any of this process. But they are the ones who make the most noise about any increases. All residents should be more active in the process that develops the new yearly budget. But many of them will just vote no and cripple the care and maintenance of Heritage Village. I am sorry that I did not attend your meeting regarding what a few of the residents feel is a problem.. There is no problem with the way the Village has operated for forty five years. Please do not push to pass this bill

Thank You ---- Louis J. Baltz , ---- 701 A Heritage Village

I disagree with the current state law that states all votes are counted and all ballots not returned are counted as yes votes in favor of the budget.

I support testimony in favor of HB 5511, an act concerning the Budget, Special Assessment and Assignment of Future Income Process in Common Interest Ownership Communities.

Robert E. Beaucock  
56 B Heritage Village  
Southbury, Ct. 06488  
203 262 1538

I testify in opposition to HB 5511.

I understand the rationale that underlay the original law and agree that a special interest group could frustrate a carefully thought out budget that would serve the community in an optimal manner.

Such behavior could cause general harm to the care of our mutually-owned property.

Thank you for your time and attention into this matter.

Herbert Garber  
834-D Heritage Village

Testimony in support of the passage of  
**HB 5511 AN ACT CONCERNING THE BUDGET, SPECIAL ASSESSMENTS AND  
ASSIGNMENT OF FUTURE INCOME APPROVAL PROCESS IN COMMON INTEREST  
OWNERSHIP COMMUNITIES.**

proposed to the Joint Judiciary Committee

By RITA BENAMI  
Address 126B Heritage Vlg.  
Southbury CT 06488  
Phone 203-267-7769

I would like firstly to thank the chairman and vice chairman and all the members of the Joint judiciary committee for their forbearance and attention in this matter. Honored Senators and Representatives of the Ct. General Assembly and members of this community I would personally like to attest to the fact that on the last budgetary vote in Heritage Village the following scenario occurred:

- A) Of the 2,580 unit owners with a vote only 1,786 were voted
- B) Of those who voted 1,291 unit owners vote to reject the proposed budget meaning 72% of the voters
- C) There were 595 votes to accept the budget meaning 33% of those who actually voted
- D) 40 ballots were disqualified for reasons unbeknownst to us
- E) The budget however was approved as 754 units not voted were counted as yes votes

Ladies and Gentlemen as you can see from the above numbers the residents who take the greatest interest in our condominium have essentially been victimized by the current law: furthermore, it is counterintuitive to consider a failure to vote as anything but an abstention and should not be taken as a yea or a nay vote. I put it to you Honorable Members of this Committee regardless of party affiliation if this type of law were used in a general election and a failure of a registered voter to vote was counted as a vote for your opposing candidate you would feel as we do that the rule of law and the democratic process had been violated!

I wish again to thank the members of this committee and plead to you that HB 5511 be passed to the general assembly and not die in committee.

Sincerely,

RITA BENAMI

Testimony in support of the passage of

HB 5511 AN ACT CONCERNING THE BUDGET, SPECIAL ASSESSMENTS AND ASSIGNMENT OF FUTURE  
INCOME APPROVAL PROCESS IN COMMON INTEREST OWNERSHIP COMMUNITIES.

proposed to the Joint Judiciary Committee

By Salvatore A. Pace M.D.

Address 891A Heritage Vlg.

Southbury CT 06488

Phone 203-262-9853

I would like firstly to thank the chairman and vice chairman and all the members of the Joint judiciary committee for their forbearance and attention in this matter.

Honored Senators and Representatives of the Ct. General Assembly and members of this community I would personally like to attest to the fact that on the last budgetary vote in Heritage Village the following scenario occurred:

- A) Of the 2,580 unit owners with a vote only 1,786 were voted
- B) Of those who voted 1,199.961 unit owners vote to reject the proposed budget meaning 72% of the voters
- C) There were 594.419 votes to accept the budget meaning 33% of those who actually voted
- D) 40 ballots were disqualified for reasons unbeknownst to us
- E) The budget however was approved as 754 units not voted were counted as yes votes

Ladies and Gentlemen as you can see from the above numbers the residents who take the greatest interest in our condominium have essentially been victimized by the current law: furthermore, it is counterintuitive to consider a failure to vote as anything but an abstention and should not be taken as a yea or a nay vote. I put it to you Honorable Members of this Committee regardless of party affiliation if this type of law were used in a general election and a failure of a registered voter to vote was counted as a vote for your opposing candidate you would feel as we do that the rule of law and the democratic process had been violated!

I wish again to thank the members of this committee and plead to you that HB 5511 be passed to the general assembly and not die in committee.

Sincerely, Salvatore A. Pace M.D.

Testimony in support of the passage of:

**HB 5511 AN ACT CONCERNING THE BUDGET, SPECIAL ASSESMENTS AND ASSIGNMENT OF FUTURE INCOME APPROVAL PROCESS IN COMMON INTEREST OWNERSHIP COMMUNITIES**

Proposed to the Joint Judiciary Committee

By Ronald Conti

Address: 950B Heritage Village

Southbury, CT 06488

Phone 203-267-1857

I would like to take this opportunity to thank the chairman and vice chairman and all the members of the Joint Judiciary for their attention in this matter.

Honored Senators and Representatives of the Connecticut General Assembly, I would like to relate to you the consequence of the latest vote on the Budget of Heritage Village. Heritage Village is a senior community of 2,580 units, the largest in the state. On July of 2011 the Board of Trustees approved the budget and presented it to the unit owners for approval. The ballot was mailed out to unit owners and prepared according to state standards provided. The ballots were accumulated and tabulated by Nanaavaity, Nanaavaity & Davenport CPA's. The result of that budgetary vote was as follows: **1,786** ballots were cast out of a possible 2,580 eligible, **1,191.961** votes to reject the budget or **67** percent of the Villagers who took the time. **594.419** Villagers voted in favor of accepting the budget or **33** percent of the votes cast. **794** Residents did not vote. This report was published in the Heritage Village biweekly newspaper on October 10<sup>th</sup>, 2011 and reflects the weighted vote called for in the bylaws of Heritage Village. As a result the budget was approved because under the current law, rejection of a budget requires 50% plus one of the total numbers of unit owners and 1191.961 votes to reject only represented 46.5% of the Total unit owners. This is because under the current law you are voting to reject the budget and the law states that to reject the budget it requires 51% of the total population to reject the budget. The results reflected a weighted vote on the Heritage Village Management Budget.

Under the current law it is so difficult to reject a budget that the Village manager and the administration can ignore the wishes of the unit owners knowing the probability of rejecting a budget is slight. I do not believe that my elected representatives would condone such a system if they foresaw the resulting consequences. Heritage Village is larger than some small towns in Connecticut can you imagine the uproar if a first selectman or representative was declared the victor in an election garnering just 33% of the votes cast and their opponent lost the election with 67 % of the votes cast. I wish to thank you for considering my appeal; I have every confidence that you will see the merit in what I have presented and vote for passage of HB5511 to the general assembly and not let it die in committee.

Sincerely Ronald Conti

HB5511 AN ACT CONCERNING THE BUDGET SPECIAL ASSESSMENTS AND ASSIGNMENT  
OF FUTURE INCOME  
APPROVAL PROCESS IN COMMON INTEREST OWNERSHIP COMMUNITIES.

Proposed to the Joint Judiciary Committee –

Rachel Segale  
975B Heritage Village  
Southbury, Ct. 06488 - 267-7919

We are a condo community of 2,580 units, the largest condo community in Connecticut. Last year 1,199.961 unit owners voted down the budget. 594.419 accepted the budget, 40 were disqualified. However, the budget was approved, 754 units did not vote yet they were counted as yes votes.

I appeal to this body that HB 5511 be passed in the general assembly. It would be unconscionable for this method of voting to continue. It is totally unfair to the people living in a condo atmosphere not to let the majority rule.

Let democracy reign! Thank you.

Testimony of David Kelman  
In FAVOR of HB5511  
For Judiciary Committee Public Hearing  
March 29, 2010  
10:00am

As **Harvard Business School** researcher Peter Blackshaw, MBA '95, who co-developed PlanetFeedback.com, a website where consumers can complain, compliment, question, suggest, and view ratings on different companies, stated, **"We know from research that only 1 consumer in 25 will take the time to write or call to complain or compliment a company.** Those other 24 opportunities are going to waste." (<http://hbswk.hbs.edu/archive/2076.html>).

Furthermore, according to studies done by the **TARP Worldwide**, one of the world's premier customer experience agencies, **for every irritated customer who complains, 26 do not, even though they have grievances.** That means that if a company receives 10 customer complaints, there are probably 260 customers out there who have complaints but don't voice them...at least not to the company. The reality is you probably don't know how many dissatisfied customers you have because many dissatisfied customers do not complain (<http://www.rctaylor.com/Images/The Price of a Dissatisfied Customer.pdf>).

###

Testimony of Louise Brinton  
In FAVOR of HB5511  
March 29, 2012

I would like to see a uniformed, statewide set of rules that become law for condo associations to follow.

Condo associations are run by volunteers and admittedly a difficult, thankless job.

It can be much like a dysfunctional family, where everyone in the family is afraid to upset the parents for fear of punishment.

I am a nurse and have my own personal beliefs, work ethic and family values, but I have to leave behind personal beliefs when I start my workday and follow my company's rules for how to do my work. My job is to take care of clients according to rules set forth by my workplace.

The role of a condo association is to listen to the unit owners and produce results within budgets and limitations at hand. Without rules and guidelines at a state level an association can run roughshod over the unit owners because of their own personal belief systems about money and how it should be spent

My particular high rise complex in Wethersfield has a president who owns approximately 15 units, does not live there and is now buying units under his long time lady friend's name. He wants to keep condo fees down because 15 times any amount of increase is a lot of money. One board member lives in Florida 6 months a year, a third board member rents her unit out and doesn't live here. There are too many conflicts of interest that have to be addressed. As I prepare for living on a fixed income I don't want higher condo fees either as the money simply isn't there once I'm not collecting a paycheck. There has to be a balance on how the money is spent to ensure a healthy reserve as well as maintaining the property.

It is run like an apartment complex owned by the president and unit owners concerns for maintenance of infrastructure, painting and landscaping are met with anger and indifference. We are told that elevator repairs, plumbing repairs, painting and landscaping are expensive, yet there is no plan or specific amounts of money in place to address how, when and where these projects will be done. A structural analysis has not been done since this large ( 141/142 units) complex was converted from apartments to condos in 1985.

We have \$750,000 dollars in reserve with no plan on projects to be done. I have spoken to several other associations who are envious of the amount of reserve we have as most have several hundred thousand dollars, who ask "so what aren't you fixing?" and their complexes run and look far better than ours.

A drive by our complex would tell you all. Words would not be needed.

I chose to buy here 2 years ago so I could be near services needed such as medical care, food services and access to transportation so I can remain independent. I chose to live inexpensively and that doesn't mean sub standardly.

My condo fees are not being used properly. Our president is running it as the landlord of all of us instead of the owners that we are.

Louise Brinton  
1320m Berlin Turnpike  
Unit 326  
Wethersfield, Ct 06109

I am writing in support of HB5511.

I have been a condo resident for over 30 years. Originally, we were not allowed to vote to ratify our budget, it was set by the board and adopted without unit owner consent. This was a problem for me as well as other unit owners.

Thanks to condo legislation passed governing ratification of the budgets by unit owners some years ago, we are now able to vote on our budget. However the provision which allows the association to count any absent votes as "Yes" does cause much concern.

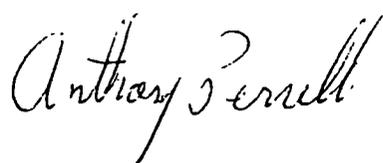
This bill corrects that oversight as well as instituting voter approval of special assessments over a certain amount as well as approval for loans taken out by the association. This allows voters to have the final say on all forms of the budget.

John L. Smith

Testimony of Anthony Perrelli  
**IN FAVOR OF RAISED BILL NO. 5511**  
For Judiciary Committee Hearing

I support Raised Bill No. 5511 except for the inclusion of the changes suggested to Section 47-261 (e). Any removal or changes made to the existing language would seriously undermine the integrity of our common interest communities.

Thank you,

A handwritten signature in cursive script that reads "Anthony Perrelli".

Anthony Perrelli  
Madison, CT

Testimony in support of the passage of

HB 5511 – an act concerning the budget, special assessments and assignment of future income approval process in common interest ownership communities.

Proposed to the Joint Judiciary Committee  
Co-Chairs Senator Coleman and Representative Fox

By Elizabeth B. Silver  
203-E Heritage Village  
Southbury, CT 06488  
Tel (203) 262-8816

Honored Senators and Representatives of the Connecticut General Assembly, I hope the following will give you reasons to support this bill: without subsection (e)

Heritage Village is a Pre-1984 Association of 24 separate condominiums totally 2,580 units. Heritage Village Master Association (H.V.M.A.) is an early 1970's version of today's management company. Our Condominium Declarations and By-Laws cede too much power to the H.V.M.A., and would be very difficult to change by majority vote in each of the 24 condominiums. An increasing budget of over 16.5 million dollars is presented by the H.V.M.A. to our 24 Trustees for approval each year. Contracts are signed by the H.V.M.A., and those contracts are not made public to the unit owners. Our controller, an accountant, is hired by the Village Manager, and is not required by state law to be a CPA. Also, our maintenance workers are members of the Teamsters Union.

In newer condominiums, the budget is presented by the board of directors to the management company. Contracts are signed by the president of the board and are publicly available to unit owners.

As a senior community, Heritage Village is in a state of crisis: 135 units in various stages of foreclosure; many vacancies; many renters; many owners in nursing homes; many deaths; and many units in probate. Those unit owners usually never cast a vote, so they are counted as a "yes" vote. It then becomes very difficult to overturn a budget.

The H.V.M.A. wants a 3.5% increase each year for the next ten years, which would amount to a 40% total increase ten years from now. I myself am paying over \$600 a month for maintenance, which does not include electricity, heat, water, or real estate taxes. We need this bill to pass to regain control over the H.V.M.A. The right to vote down our budget by majority of votes cast will keep our costs in check and improve efficiency.

Sincerely,

*Elizabeth B. Silver*

Testimony of Avion Real Estate and Janice Fiaschetti  
in FAVOR of HB5511  
for Judiciary Committee Public Hearing  
March 29, 2012  
10:00AM

I am in FAVOR of HB5511 as a unit owner, board member, and currently, due to no other safe options, a property manager of a condo complex located in Danbury. I am fortunate to have both accounting and audit experience, as well as an extensive Real Estate background being a licensed Real Estate Broker and owner of my own Real Estate company.

The condo complex where I have owned units since the mid 80's has hired and let go of 6 management companies in the last 10 or so years. Some of these management companies were among the largest in the area, some were among the smallest. Each was either audited by me or I was on the Board of Directors and directly involved with the discovery of one or more of the following with every one of these management companies:

- Falsified documents to make it appear that they were doing their job.
- \$40K worth of Association funds were taken through charging over and above all bills relating to maintenance and improvements, without our knowledge.
- Consistently over paid vendors through duplicate payments, payments for services they requested that were included in a monthly maintenance contract, and payments for services not rendered.
- Bookkeeping/recordkeeping that, when audited, 65+% of the unit accounts had incorrect balances resulting in inappropriate or no collection actions.
- A unit forwarded to the Associations Attorney for collection and was 2 weeks away from foreclosure over a \$25 fine.
- Multiple repairs identified and after multiple calls, letters and meetings with the management company were still not addressed after 6+ months. Some of these resulted in a significant increase in cost to the Association due to damages worsening over time.
- Incorrect information provided to insurance companies causing the Association to pay \$13K more a year in premiums.
- No follow up, identification, or correction of violations, maintenance items, repairs, problem bills, and contract renewals.
- Approval for changes in a unit not allowed per the by-laws and without Board of Director Approval or notification.
- Incorrect notifications for violations, collections, and fines, in some cases causing the Association to hire their Attorney to correct.

Interestingly, 3 of the management companies, 2 of them large, when presented with these problems responded with their feeling that I was "micro managing" the complex. Their attitudes were that these were not unusual discoveries but things that were bound to happen in the industry.

These are only a sample of the problems identified. I cannot imagine how many more problems are not identified, and the number of Associations being taken advantage of because they do not have the knowledge and experience I have, or are not as involved.

The need for requirements on education, training, controls, as well as background checks is the minimum needed for these companies who are handling hundreds of thousands of dollars for Associations.

Sincerely,  
Janice Fiaschetti



*Avion Real Estate*

10 Galloping Hill Road

Brookfield, CT 06804

and Janice Fiaschetti

Office 203-775-0733 Fax 203-775-8285 Cell 203-240-1807

## Testimony for 5511 and 5536 By Anonymous

I wish to give you my testimony as a condo unit owner in the Quiet Corner of CT who has lived here for almost eight years. The bill numbers from the CT Condo Coalition are **5511 and 5536**. As a senior woman living alone, I thought that condo living would be an ideal fit. Or so I thought. Once you find out the things that transpire at condo complexes, you soon learn you've been duped on many fronts, mainly financial. I quickly learned condo living is often a ripoff. And so, I offer you my personal testimony of what one woman has endured in a complex that I thought would be a great place to live. Let me begin with what can only be titled MISAPPROPRIATION OF FUNDS.

Under this category I list several things I have endured/witnessed or been a victim of, starting with the inception of the new phase of this complex. The first phase was built 20-25 years ago and was poorly built, and sorely mismanaged and neglected for years. Fast forward to 2004 when the board then decided they could 'rescue' the old bldgs by bringing in a developer who would put up new units and we would be the pillars on which the old sick buildings could look to us to be their pillars holding them up financially. My first clue all was not well after I moved in. When this new development in 2004 began the developer gave the board \$250,000 for the 'privilege' of building here. The then president of the board asked the (old bldgs) unit owners if they wished to put that money into their buildings as they were falling apart, or did they want money in hand...most vouched I was told, to take money for themselves, \$3,000 each as explained to me. There were 60 owners at that time who supposedly each received 3,000 and the other \$70,000 was for legal fees, as I was told by the president. Of course, none of us were ever given any proof of what actually transpired and some of the folks who lived in those old units told me they never got a dime which leaves one thinking where did all that money go and who got what?

Another huge misappropriation of funds lies with the fact that each of us new condo unit buyers had to pay 5% extra at closing to the developer who then kicked that money back to the association. We were told at that time that those monies would go into reserves, with 40% into permanent reserves and the other 60% into temp reserves.

With about 90 new units here that meant that each new buyer gave an average of \$10,000 to the builder who then gave it to the association.

All in all the association would have gleaned about \$1,000,000! This means that today we should have that original permanent reserves figure of \$400,000 plus the interest it would have made in the last half dozen years, but it is now nonexistent and we have nowhere near that in any/all reserves. In fact, we never even see any accounting of investments made or the interest gleaned. Adding insult to injury, within a couple years the board deleted the word Permanent Reserves, meaning, it is no more. This to me is a criminal case that should be investigated and a huge red flag of mismanagement or possibly fraud. For sure, it falls under the Bait and Switch idea of telling you one thing, doing another, and leaving us without perm reserves. For our generosity in fixing up old buildings, we the new unit owners have no reserves if we should need issues dealt with in the future!

We have \$23,000 in condo arrears at a 160 unit complex. People who live in the old section have told me when they get fed up and don't get answers or things fixed they just don't pay condo fees. This means that not only are the new unit owners shafted via paying for years of neglect

and improvements needed by the old buildings, but we also fork out most the condo fees which pay for services, which have been not all that desirable or competent for 8 years.

With putting out 40,000 to \$50,000 each year for both lawn care and snow plowing, services are woefully lacking. Further with many buildings here having postage size lots, we could get local guys to do this work for a fraction of the cost. A total of \$80,000 or more a year for both those services is a big joke on all of us considering the kids they hire to do the work get \$12 an hour, but the mgmt company charges us \$75 an hour PER WORKER...THAT'S LOTS OF money wasted. And one wonders if when these contracts are written up, if there isn't a split going on between mgmt company or board and contractor, Again, how would unit owners know when transparency isn't order of the day!

We have no idea of how many units are being rented here. That should be required info available to anyone looking to sell to a prospective buyer who has every right to know how many units are being rented. As well, we don't have a tight figure on foreclosures. I recently asked how much our legal fees were when we had to defend ourselves against the developer who sued us a couple years ago...again, NO answers. I was put off as if that were a nuisance question and they had no way of obtaining such information. Sheer balderdash in my book! The developer was told in 2008 to stop building as units were not selling, so he in turn sued the association. Strange thing is that for the first few years both he and the association shared the same lawyer...a HUGH RED FLAG AGAIN. I often feel like I'm in China...red flags galore! How many condo complexes have the association and the developer sharing the same lawyer? This is obviously a big no-no!

We receive no hard copy minutes or financial statements and at condo meetings often treated with contempt or mocked if we ask questions which they prefer not to deal with. I was asked a couple years ago if I would like to serve on a budget committee, as I often had questions about the finances here. I said, "Yes, I would love to", but then the President quickly countered with, "fine, you can be on that committee, but be forewarned, you can't ask ANY QUESTIONS ABOUT FINANCES!

Obviously, not being born yesterday, I knew the jig was up and if I couldn't see numbers or ask questions this was a huge red flag as well. I refused to sit on a board and be silent or a stooge. I attempted to make my unit warmer with external insulation to cut my heating bills by 1/3, but was told to remove said insulation as it was against condo docs. The president allowed the builder to give us these useless heat pumps not even meant for New England winters. I spoke with two manufacturers who told me that they are useless for our winters, but great in Santé Fe or Texas for a/c and hot weather. Needless to say, owners here pay astronomical electric bills in bad winters. Last winter for the worse month, my bill was over \$1,000 for one month, and I thought that was bad until I spoke with neighbors that paid a couple hundred or three hundred more than myself. What is worse, we are not even warm! Clearly this is so outrageous, especially for senior woman living on social security.

When I was told to remove that insulation I contacted the AG at that time who answered that year that he wished to form a state condo commission for he got hundreds of similar complaints each year, but alas, the budget didn't allow for him to form that commission. His idea was that I should get a lawyer...something anyone on a fixed income is unable to do, especially when the choice is between heating or eating!

So in less than eight years, I have forked out over \$24,000 for condo fees with that original 5% at closing. For this, I have received untold heartache, cold nights as these units don't stay warm with heat pumps, get lousy snow plowing and fair to middling lawn services. My blood pressure has gone through the roof since living here and the stress level of dealing with people whose

IQ's are smaller than their shoe size is frustrating at best. I have a good understanding for those small foreign store owners who must pay monies extorted from them!

I know local realtors who have told me they would never bring any buyers back here for the long history of mismanagement, either when it was a self managing HOA or now with mgmt companies. With the latter, we seem to play musical mgmt companies...a new one every couple of years, ditto with the insurance companies who find out the problems here and then drop us like a lead balloon.

Problems/issues are rarely addressed until they are so bad as one death almost ensued several years ago. A professional opera singer with the Rhode Island Philharmonic who lives here told me how she complained about her roof leaking for three years and got no responses ever. The upshot of that was mold within her unit that culminated in severe allergies, the loss of her voice and a massive heart attack from the mold. She spent months in a hospital clinging to life, and then only then, did they fix her roof. About three years ago they put new roofs on the old buildings and people living back there told me that they were leaking in less than a year. A realtor told me the next things needed are new frames/windows for the old buildings. So while those old unit owners feel free to skip out by not paying condo fees, we new people in new units are expected to be the welfare dept for the board that needs to pick pockets to pay for years of unrelenting incompetence.

The developer was a real piece of work on top of all the aforesaid, I have spoken to many women living alone here, either divorced, single or widowed and each one had a tale to tell of how he intimidated or got more money out of them. For myself he came to me about two weeks before my closing and demanded that I give him \$50,000 as he needed that to complete my unit...being naive, I gave him that money as I had sold my house and needed to move so my buyer could move.

Lucky for me I did close, but a couple more would be unit owners were not so lucky. They had given the developer tens of thousands towards their to be built condos and then the developer told them months later that he would not be building anymore. Those folks then asked for their money back and were told by the builder the money was gone. I don't know the outcome of that, but needless to say this was criminal behavior. The developer was very intimidating with women.

I could write a few more pages easily on all the transgressions and the lack of transparency here, not to mention the meager reserves, the pet projects like prettifying the place when essentials are more necessary...and we all pay for it through the nose and have no say, like when they wanted to build a club house.

The president asked me if I would call all the neighbors around me/about 25 units to find out if they would vote to have a new club house. All responded 'no way, no interest'. I then wrote the board and told them their responses, and days later, got a letter in the mail telling me they didn't care what me or my neighbors wanted, they were going to build it anyway and we would finance the upkeep and astronomical heating bills...the place has got 22 windows...pretty dumb considering it's heated with a heat pump and only used a couple times a month!

Please consider us with these bills. Our rights as unit owners are long neglected. Much of what I explained above falls under criminal wrongs.

JUDICIARY PUBLIC HEARING  
MARCH 29, 2012, 10:00 A.M.

RE: HB5536 AN ACT CONCERNING REQUIREMENTS FOR CERTIFICATION AS A  
COMMUNITY ASSOCIATION MANAGER, LICENSURE AS A REAL ESTATE  
BROKER OR SALESPERSON AND ORGANIZATION OF A UNIT OWNERS'  
ASSOCIATION.

HB HB5511 AN ACT CONCERNING THE BUDGET, SPECIAL ASSESSMENT  
AND ASSIGNMENT OF FUTURE INCOME APPROVAL PROCESS IN COMMON  
INTEREST OWNERSHIP COMMUNITIES.

Good Morning members of the Judiciary Committee and others present.

My name is Linda Palermo. I reside in Stratford, CT at Stonybrook Garden Cooperative Inc. I am here today to speak as an individual and CCOC member in favor of HB5536 and HB511, because inherently, as members our issues are heard only once a year at the Annual Membership meeting where we have five minutes to speak. We have an officer manager, who lacks any credential such as those proposed in HB5536. He takes his directives from the president of the Board, who allows and relies on the office manager to do the things a property manager would do. In the past money was missing, the office assistant got blamed. When she left, and another assistant was working in the office, she would get the blamed when certain things went wrong. He listens to phone calls over her shoulder. I personally had a portion of my membership file sealed due to a past President saying he was going to access it without my being present. More recently the sealed portion was opened with out my knowledge my security number is missing how and by whom we will never know Documents were thinned out; put into my more recent membership file; there again, I was not present and recently discovered this when I was going through my membership file. Because of event such as these I would like back ground checks done not only on the office manager but also on any potential property manager prior to hiring. Members', complain about the office managers, attitude and job performance -the Board does nothing and members get ignored. We get minutes one month after the Board's Regular meeting. So here is where I speak out I welcome the organization of a unit owner's association to spite the fact I bet they wouldn't. Wherefore I support HB5536 AND HB 5511. Thank you for the opportunity to speak.

Linda Palermo

I Diane morales 506 king st unit 20 bristol ct 06010 Castillian condominiums

Am In Favor of HB5536 And IN Favor HB5511 (testimony)

I hope this goes through. I have been living in a condo for 8 years with "8 years " of special assesments. 800.00 dollars a year on top of regular condo fees. And no one recieves financials EVER. No work has been done at all through these extra monies. The board members are bullies. I am so happy to have found ctcondo because they have given me some power to stand up to these people. Now i recieve financials. (still nobody else does except board members) I could go on and on lol Thank you

Diane Morales condo owner Bristol Ct

**S - 649**

**CONNECTICUT  
GENERAL ASSEMBLY  
SENATE**

**PROCEEDINGS  
2012**

**VOL. 55  
PART 14  
4223 - 4505**

rgd/tmj/gdm/gbr  
SENATE

312  
May 9, 2012

Thank you, Madam President.

A couple of additional items to place on the -- on the consent calendar, the first of which is from Senate Agenda Number -- Senate Agenda Number 1, second page for Senate Agenda Number 1, House Bill 5511, Madam President, move to place the item on the consent calendar.

THE CHAIR:

Seeing no objection, so ordered, sir.

SENATOR LOONEY:

Good. Thank you, Madam President.

Madam President, also would like to place on the consent calendar, Calendar 407, House Bill 5484.

THE CHAIR:

So ordered, sir.

SENATOR LOONEY:

Thank you, Madam President.

And if we might, Madam President, stand at ease for just one moment before calling for a -- a vote on the consent calendar.

THE CHAIR:

The Senate will stand at ease.

(Chamber at ease.)

I'm so sorry, Senator Looney.

SENATOR LOONEY:

Yes, Madam President.

THE CHAIR:

rgd/tmj/gdm/gbr  
SENATE

317  
May 9, 2012

SENATOR LOONEY:

Yes.

THE CHAIR:

The Calendar Number 444 --

SENATOR LOONEY:

Yes.

THE CHAIR:

-- House Bill 5037 has just been added.

Senator Looney.

SENATOR LOONEY:

That's right, Madam President.

And -- and also, Madam President, calendar page -- excuse me, it's -- rather I don't have the calendar page but it's Substitute -- it is Calendar 507, Substitute for House Bill 5467, Madam President, move to place that item on the consent calendar.

THE CHAIR:

Got it. Thank you, sir.

SENATOR LOONEY:

Now, Madam President, if the Clerk would now proceed to call the consent calendar.

THE CHAIR:

Mr. Clerk, you may call the consent calendar now.

THE CLERK:

House Bill 5358; House Bill 5148; House Bill 5394; House Bill 5326; House Bill 5025; House Bill 5534; House Bill 5539; House Bill 5320; House Bill 5462; House Bill 5394; House Bill 5511.

rgd/tmj/gdm/gbr  
SENATE

318  
May 9, 2012

(HB 5283)

On page 3, Calendar 240, House Bill 3283; page 3, Calendar 299, House Bill 5437; page 5, Calendar 349, Senate Bill 374; page 6, Calendar 375, House Bill 5440; page 6, 362, House Bill 5011.

On page 7, Calendar 376, House Bill 5279; on page 7, 387, House Bill 5290; on page 8, 394, House Bill 5032; on page 8, 396, House Bill 5230.

Also on page 8, Calendar 398, House Bill 5241; on page 8, Calendar 393, House Bill 5307; on page 9, Calendar 403, House Bill 5087; on page 9, Calendar 406, House Bill 5276; on page 9, 407, House Bill 5484; on page 11, Calendar 424, House Bill 5495; on page 12, Calendar 435, House Bill 5232; on page 13, Calendar 5 -- excuse me Calendar 450, House Bill 5447; on page 14, Calendar 455, House Bill 3 -- I'm sorry -- House Bill 5353.

On page 14, Calendar 453, House Bill 5543; on page 14, Calendar 459, House Bill 5271; on page 15, Calendar 464, House Bill 5344; on page 15, Calendar 465, House Bill 5034; on page 16, Calendar 469, House Bill 5038; on page 17, Calendar 475, House Bill 5550; on page 17, Calendar 474, House Bill 5233; on page 17, Calendar 477, House Bill 5421.

Page 18, 480, House Bill 5258; on page 18, Calendar 479, House Bill 5500; page 18, Calendar 482, House Bill 5106; on page 18, Calendar 483, House Bill 5355; on page 19, Calendar 489, House Bill 5248; on page 19, Calendar 488, House Bill 5321; on page 20, Calendar 496, House Bill 5412.

On page 21, Calendar 504, House Bill 5319; page 21, Calendar 505, House Bill 5328; on page 22, Calendar 508, House Bill 5365; on page 22, Calendar 510, House Bill 5170; on page 23, Calendar 514, House Bill 5540; on page 23, Calendar 517, House Bill 5521.

Page 24, Calendar 521, House Bill 5343; page 24, Calendar 518, House Bill 5298; page 24, Calendar 523, House Bill 5504; page 29, Calendar 355, Senate Bill 418; on page 13, Calendar 444, 5037; and Calendar 507, House Bill 5467.

THE CHAIR:

Senator -- Senator Suzio.

SENATOR SUZIO:



## State of Connecticut

SENATE CLERK'S OFFICE  
STATE CAPITOL  
HARTFORD, CONNECTICUT 06106-1591  
(860) 240-0500

GAREY E. COLEMAN  
CLERK OF THE SENATE  
ERNEST J. COTNOIR  
ASSISTANT SENATE CLERK

TIMOTHY B. KEHOE  
PERMANENT ASSISTANT  
CLERK OF THE SENATE

Bills placed on the Consent Calendar on May 9, 2012

5358  
5148  
5394  
5326  
5025  
5534  
5539  
5320  
5462  
5394  
5511  
5283  
5437  
374  
5011  
5440  
5279  
5290  
5307  
5032  
5230  
5241  
5087  
5276  
5484  
5495  
5232  
5447  
5543  
5353  
5271  
5344  
5038



State of Connecticut

SENATE CLERK'S OFFICE  
STATE CAPITOL  
HARTFORD, CONNECTICUT 06106-1591  
(860) 240-0500

GAREY E COLEMAN  
CLERK OF THE SENATE  
ERNEST J COTNOIR  
ASSISTANT SENATE CLERK

TIMOTHY B KEHOE  
PERMANENT ASSISTANT  
CLERK OF THE SENATE

- 5233
- 5550
- 5258
- 5106
- 5355
- 5521
- 5248
- 5412
- 5319
- 5328
- 5365
- 5170
- 55440
- 5521
- 5298
- 5343
- 5504
- 418
- 5037
- 5467
- 5022
- 5259
- 5496
- 5360



**State of Connecticut**

SENATE CLERK'S OFFICE  
STATE CAPITOL  
HARTFORD, CONNECTICUT 06106-1591  
(860) 240-0500

GAREY E. COLEMAN  
CLERK OF THE SENATE  
ERNEST J. COTNOIR  
ASSISTANT SENATE CLERK

TIMOTHY B. KEHOE  
PERMANENT ASSISTANT  
CLERK OF THE SENATE

Bills from Senate Agenda Number 3 from the May 9th Senate Session that were placed on the Consent Calendar

HB5304  
HB 5342

rgd/tmj/gdm/gbr  
SENATE

319  
May 9, 2012

Good evening, Madam President.

I just want to clarify. I thought I heard the Clerk call House Bill 5034? Is that on the consent calendar?

THE CHAIR:

Do you know what page that is, sir?

SENATOR SUZIO:

No I -- he was reading so fast, Madam, I couldn't get it.

THE CHAIR:

It's -- yes it's 53 -- I don't know.

SENATOR SUZIO:

5034.

THE CHAIR:

5034, yes sir.

SENATOR SUZIO:

I object to that being put on the consent calendar, Madam President.

THE CHAIR:

Okay, that will be removed.

Senator Looney.

SENATOR LOONEY:

Thank you, Madam President.

Yes, just seeing that -- ask to remove that item from the consent calendar.

THE CHAIR:

So ordered.

rgd/tmj/gdm/gbr  
SENATE

320  
May 9, 2012

At this time we'll call a roll call vote on the consent calendar.

Mr. Clerk.

THE CLERK:

Immediate roll call has been ordered in the Senate.  
Senators please return to the Chamber. Immediate roll call has been ordered in the Senate.

THE CHAIR:

Senator Coleman, we need your vote, sir.

Senator Kissel, Senator Kissel. Senator Kissel, will you vote on the consent calendar please?

All members have voted?

If all members have voted, the machine will be closed.

Mr. Clerk, will you call the amendment -- I meant the tally.

THE CLERK:

On today's consent calendar.

Total Number Voting	36
Necessary for Adoption	19
Those Voting Yea	36
Those Voting Nay	0
Those Absent and Not Voting	0

THE CHAIR:

The consent calendar has passed.

Senator Looney.

SENATOR LOONEY:

Thank you, Madam President.

Madam President, I believe the Clerk is in possession of Senate Agenda Number 6 for today's session.