

New state law to change how condo associations operate

Elizabeth Kim, Staff Writer

Published: 09:40 p.m., Tuesday, April 13, 2010

STAMFORD -- A law to make condominium and cooperative associations more transparent is set to take effect July 1 and will significantly change how the communities are insured and how their associations are run.

While the law will provide greater insight into the governance of condo boards, some who sit on the boards have voiced concerns that it will become cumbersome to pass any new regulation.

The new rules come in the form of amendments to Connecticut's Common Interest Ownership Act, which is applicable to condominium, cooperatives and planned unit developments and was passed last year by the state's [General Assembly](#).

The new measures include numerous changes to meeting procedures and other issues that are intended to protect the interests of homeowners in such communities.

"The buzzword is transparency," said [William Ward](#), a Stamford attorney who represents 120 associations, mostly for condominium projects, and has been holding seminars for those impacted by the new legislation.

Connecticut has one of the most progressive condominium statutes in the country, Ward said.

One major change resulting from the new legislation is that unit owners will now be entitled to attend every board meeting and receive the same handouts and other information as board members. In addition, they must be provided with agendas and notices at least 10 days in advance of the meetings, meaning that no new business can be discussed by members.

Another expands the insurance obligations of associations. Prior to the law, associations only had to insure unit components and fixtures that were originally installed by the developer, neglecting to include improvements that some owners may have elected to make afterwards.

Associations will now be asked to insure those improvements as well. They can elect to opt out of this requirement, but if they do, they must keep a detailed inventory of the original unit installations so owners can purchase their own insurance for the improvements.

The insurance issue has been considered controversial because it threatens to raise the cost of premiums for the overall development, which come out of a common charges paid by all homeowners.

But Ward said that it was not a guaranteed certainty that insurance premiums would in fact rise. He said that since improvements would be covered by the association's insurance, that should mean that insurance purchased by individual homeowners should go down.

"It should be a wash," he said.

Ward and others have expressed concern that many of the amendments will make life more complicated and burdensome for board members, who serve on a volunteer basis.

For example, the new law says that meetings have to be conducted according to Robert's Rules of Order, a guide used by governments and corporate boards for conducting meetings.

"What do they think we are? Parliament?" said [Robert Gourley](#), the president of the Connecticut chapter of the [Community Associations Institute](#), a national organization that tries to educate homeowners who volunteer on boards.

"It's just a group of people trying to get together to talk about the budget or decide if we need to get [greenwichtime.com/.../New-state-law-...](#)



flowers," he said.

Although associations can elect to opt out of the requirement, they need to secure a two-thirds vote of unit owners or have it explicitly stated in their declarations or bylaws.

Gourley, who serves on a condominium association in West Haven, said that although he supports the spirit of the measures, he was concerned that they might discourage people from serving on association boards.

All unit owners are advised to review the measures carefully. Although changes in rules regarding insurance liability and allowing unit owners access to and advance notice of meetings apply to all associations, other amendments may not affect associations created after 1984.

Because of the complexity, those involved with associations have been holding seminars to educate homeowners across the state about the new laws.

On Thursday, the city will be hosting an information session beginning at 7 p.m. inside the [Government Center's Senior Center](#).

There are roughly 150 condominium and cooperative associations in Stamford, according to City Rep. [Art Layton](#), R-17, a condo owner in Glenbrook who is among those trying to spread the word about the statute.

He estimated that anywhere between 10,000 to 20,000 residents in the city live in condominiums.

Layton said that he was pleased with the reform.

The increase in transparency, he said "will eventually help everyone who owns and lives in a condominium."

From talking to condo owners, he said, "No one said to me, 'I don't want that to happen.' These are all generally positive changes."

Staff Writer [Elizabeth Kim](#) can be reached at elizabeth.kim@scni.com or 203-964-2265.

Health Insurance Plans

Get Free Health Insurance Quotes Online.
IndividualHealthQ

Super Cheap Home Insurance

Get Discount Homeowners Insurance Online – Rates from
Discount-Home

Ads