



2019 End of Session Report

Community Associations Institute's (CAI) Connecticut Legislative Action Committee (CT LAC) was busy this session of the General Assembly. CAI members volunteered hundreds of collective hours to review bills, draft testimony, work with CT LAC's lobbyists, meet with legislators and other decision-makers, and testify for and against bills. More than 3,850 bills were introduced, and the CT LAC monitored more than 75 bills that directly or indirectly impacted community associations. A common theme that we have witnessed over the last several years and that remains is that the Judiciary Committee is requesting that no condo bills start with this major committee. The result is that we are seeing bills in other committees by jurisdiction of the issue. Below is a list of highlights from the 2019 General Assembly:

Bills that Passed

- **HB 7299 AN ACT MAKING CHANGES TO DEPARTMENT OF CONSUMER PROTECTION ENFORCEMENT STATUTES.**

While this bill had many changes to The Department of Consumer Protection (DCP) statutes, the most notable for CAI-CT was its request for an update to the Community Manager Licensing statute. Thanks to the effort of CAI-CT, in cooperation with the DCP, §§ 12 & 19-27 of the bill does just that and was signed into law by the Governor on June 25, 2019. The bill:

- updates and establishes a community association manager trainee registration, allows community association managers to have unregistered administrative staff, adds a continuing education requirement, creates a new penalty for someone who holds himself or herself out as a community association manager without a registration, and requires insurance policies to cover theft by trainees or staff Community Association Manager Trainee Registration.
- establishes a nonrenewable registration for someone working under a community association manager's direct supervision to be trained in providing association management services.

An applicant for the training registration certificate must apply to DCP in writing on a DCP provided form, which includes the following information: the applicant's name, home and business addresses, business telephone number, whether the applicant was convicted of a felony; the bill limits the duration of the registration to six months.

There is no fee with the application and registration for trainees. The Connecticut Real Estate Commission is responsible for reviewing and authorizing the trainee registrations, but DCP issues the registration. DCP or the commission may suspend, revoke, or refuse to issue a registration.

A community association manager trainee must be directly supervised by and act under the direction of a registered community association manager and during that time a trainee may provide services including: preparing financial documents, helping conduct association meetings, helping the association obtain insurance, coordinating the association's operations, and advising the association on its operations. The bill specifically prohibits a trainee from collecting, controlling, or disbursing association funds and makes the supervising manager liable for the trainee's actions or failures to act.

The bill allows community association managers to employ or contract with support or administrative staff who are unregistered as community association managers to conduct certain tasks but prohibits support or administrative staff from having direct access to or control over association funds. It requires the community association manager to directly supervise and be liable for the work performed by his or her support or administrative staff, including making sure that the staff is trained in the scope of their work and operating in compliance with the law.

Community association managers must include their registration numbers in advertisements. The bill requires that the advertisement identify at least one of the entity's principals, officers, or directors who is a community association manager and his or her registration number.

DCP must notify an applicant of a denial to issue a community association manager registration and that the applicant has a right to request a hearing within 10 days after receiving the denial notice. The bill also applies this notice requirement for manager trainee applicants.

The bill provides that either the commission or DCP may take action against a registrant to revoke, suspend, or refuse to issue or renew a registration, place conditions on a registration, rather than put someone on probation, or issue a civil penalty of up to \$1,000 per violation, rather than issuing a letter of reprimand.

The bill prohibits anyone from holding himself or herself out as a community association manager trainee without being appropriately registered. The same ban applies under current law to those holding themselves out as community association managers. The bill prohibits anyone from providing association management services without a registration, unless doing so as support or administrative staff. If the DCP or the Connecticut Real Estate Commission holds a hearing and finds that an individual held themselves out as a community association manager without the required registration, either entity may issue a cease and desist order and fine the individual up to \$500.

An individual who falsely represents himself or herself as or impersonates a registered community association manager may be fined up to \$1,000, up to one year in prison, or both. The law also makes any violation of the community association manager registration laws an unfair or deceptive trade practice. For certain violations, a fine may only be imposed after an administrative hearing. EFFECTIVE DATE: October 1, 2019, except the provision establishing a new penalty for holding oneself out as a community association manager without the proper registration is effective immediately.

- **HB 7179 AN ACT CONCERNING CRUMBLING CONCRETE FOUNDATIONS**

This bill changes the definition of "residential building" to include, among other things, buildings containing more than four condominium units. This change makes more buildings and building owners eligible for several assistance programs to support repairing or replacing concrete foundations that are crumbling due to the presence of pyrrhotite.

This bill also expands a concrete seller disclosure requirement and certain municipal bonding authorities. The bill establishes a concrete foundation replacement technology grant program to support ways to reduce the cost of repairing or replacing crumbling concrete foundations.

The bill appropriates \$8 million from the General Fund for these grants and requires the Connecticut Foundations Solutions Indemnity Company (CFSIC) to assess and approve grant applications. The bill makes changes to the \$12 Healthy Homes Fund insurance surcharge, including by expanding the

surcharge to meet the new definition of residential dwelling and requiring surplus lines brokers to collect and remit the surcharge on applicable policies.

Bills that Failed

- **HB 5122 AN ACT CONCERNING THE FEASIBILITY OF ESTABLISHING THE POSITION OF CONDOMINIUM OMBUDSMAN IN THE STATE.**

This self-explanatory bill and hardy perennial failed in the early part of the session.

- **HB 5528 AN ACT REQUIRING THE ASSOCIATION OF A COMMON INTEREST COMMUNITY TO PROVIDE DETAILED EXPENDITURE NOTICES TO THE UNIT OWNERS.**

This bill would have been especially onerous to associations and managers, and after a few meetings with the sponsor, died in committee.

- **HB6326 AN ACT CONCERNING HARASSMENT OF A CONDOMINIUM OWNER BY A DIRECTOR OF THE CONDOMINIUM'S ASSOCIATION.**

This bill arose over a specific incident in a specific association and as the issue appeared to be resolved, at this time no legislation was necessary.

- **SB137 AN ACT CONCERNING EXPANDED ACCESS TO RECORDS MAINTAINED BY THE ASSOCIATION OF A COMMON INTEREST COMMUNITY.**

Another hardy perennial, this bill also did not make it through the committee process.

- **SB 355 AN ACT CONCERNING UNIT OWNERS' ASSOCIATIONS AND POLITICAL EXPRESSION.**

This bill was written so as to limit an association's restrictions on political expression by unit owners. The bill did not pass, and CAI was able to offer several examples to the sponsor as to why the bill was unnecessary.

- **HB 6291, AN ACT CONCERNING PROTECTIONS FOR CERTAIN GROUP CHILD CARE AND FAMILY CHILD CARE HOMES and a similar bill, HB 7276, AN ACT CONCERNING CERTAIN GROUP CHILD CARE AND FAMILY CHILD CARE HOMES.**

These bills were designed to protect licensed group child care homes and family child care homes from certain zoning regulations, require the Office of Early Childhood to inspect group child care homes for evident sources of lead poisoning prior to issuing a license for such home, prohibit landlords and homeowners associations from imposing certain restrictions on the operation of licensed group child care homes and family child care homes, and provide for certain protections of such landlords and homeowners associations with regard to tenants and owners operating such homes. CAI started a grassroots advocacy campaign and mobilized 38 advocates who sent 858 emails to the House Planning and Development Committee (22 members), along with countless petitions that were delivered to the state legislature. CAI was able to offer testimony and meet with the sponsor (same sponsor for both bills) and have the provisions affecting community associations removed. HB 7276 never came out of its committee. HB 6291 passed in the House with acceptable language but never passed the Senate.

For more information on CT LAC's activities and community association legislation in Connecticut, visit www.caionline.org/CTLAC.

Your Assistance is Needed

The CAI Connecticut LAC relies on professional lobbying as a vital and integral part of the legislative process. As volunteers, CAI CT LAC members including homeowner leaders, community managers, and business partners, significantly rely on this highly effective professional representation. In addition to contributions from management companies and business partners, the CAI CT LAC needs your financial support to bolster their advocacy activities in 2019 and beyond. We encourage donations from Connecticut community associations, business partners, and individuals. Please visit www.caionline.org/lacdonate/ and donate to "Connecticut" to support our continued efforts.

Connecticut Contact Information

- [Community Associations Institute – Connecticut Legislative Action Committee](#) (888) 224-4321
- [Community Associations Institute Connecticut State Chapter](#) (860) 633-5692