

2025 CAI Connecticut Legislative Session Report

Community Associations Institute (CAI)'s Connecticut Legislative Action Committee (CT LAC) spent the 2025 legislative session advocating on behalf of the approximately 468,000 Connecticuters living in 185,600 homes in more than 5,100 community associations across the state. Connecticut's 2025 legislative session began on January 8 and concluded on June 4. This session, CT LAC actively tracked over 70 pieces of legislation that either directly or indirectly impacted the community associations across the Nutmeg State. Below is a brief overview:

HB 7068 - AN ACT CONCERNING COURT-ORDERED ACCOUNTINGS OF COMMON INTEREST COMMUNITY FINANCIAL RECORDS AND REVISING THE DISCLOSURE REQUIREMENTS RELATING TO COMMON INTEREST COMMUNITIES.

CT LAC opposed this legislation, which would have allowed any unit owner of a common interest community to petition the Superior Court for an accounting of such association's financial records. Once the Superior Court is petitioned, community associations would have been required to retain an independent third party to conduct the accounting of such association's financial records. If passed, the legislation would forced community associations to navigate unnecessary legal processes at the whim of individual unit owners and lead to an increase in legal fees and costs incurred. These costs would have ultimately fallen on all unit owners, regardless of their involvement in the request for records.

Under this legislation, community associations would have been required to retain third-party accountants regardless of the reason for which the request for records was made. While it is the hope that homeowners would only initiate this process if absolutely necessary, ill-intentioned or disgruntled homeowners may request these records with no legitimate need for the information, and might even be motivated to do so by the resulting legal costs that the association might incur. This could also negatively affect the insurability of community associations throughout Connecticut.

Status: Bill successfully died

HB 6839 - AN ACT INCREASING THE NUMBER OF CHILDREN PERMITTED IN FAMILY CHILD CARE HOMES AND CONCERNING THE OPERATION OF FAMILY CHILD CARE HOMES AND GROUP CHILD CARE HOMES IN CONDOMINIUMS AND RENTAL UNITS.

CT LAC opposed this legislation, which would have removed an association's ability to prohibit or restrict the operation of licensed family childcare or group childcare homes,



overriding the core principles of self-governance and co-ownership of common property that are crucial to the community association housing model.

In its original form, this bill aimed to increase the maximum number of children being provided care in a family childcare home from nine to twelve children. At the final committee meeting, substitute language was added to this bill that would have banned rental agreements and condominium and common interest community association declarations from prohibiting or restricting a person from operating a licensed family or group childcare home. CT LAC met with the committee chair following this hearing and successfully communicated its arguments against the amended language.

This legislation did not align with CAI's <u>Residential Childcare Facility Public Policy</u>, which affirms support for legislation that protects the authority of a community association to develop reasonable rules and regulations, including restrictions, regarding the operation of childcare facilities within their associations.

Though the goal of HB 6839 to expand access to childcare to meet the needs of Connecticut's diverse families is noble, the imposition of a one-size-fits-all solution as proposed in this bill is the wrong approach. CAI and the CT LAC recognize the importance of balancing the growing need for quality childcare facilities with the fundamental right of community associations to self-govern and regulate certain activities within their communities, including reasonable rules and restrictions governing the presence of home-based childcare facilities, which may otherwise interfere with or disrupt the quiet enjoyment and day-to-day living for community residents.

Status: Bill successfully died

HB 6957 - AN ACT ALLOWING A TOWN TO DESIGNATE ITSELF A CITY, ESTABLISHING A TASK FORCE TO STUDY THE REGULATION OF CORPORATE HOUSING ACQUISITIONS AND CONCERNING TRAINING FOR INLAND WETLANDS AGENCIES, CERTIFICATES OF CORRECTION FOR CERTAIN PROPERTY ASSESSED IN ERROR, THE SUBMISSION OF CERTAIN STUDIES AND EVALUATIONS, INCLUSIONARY ZONING, SOLAR INSTALLATIONS IN CERTAIN COMMON INTEREST OWNERSHIP COMMUNITIES, THE CAPITAL REGION AND THE MILLSTONE RIDGE TAX DISTRICT.

CT LAC monitored this bill, which makes various unrelated changes to laws on municipalities and housing, including those on municipal taxes, common interest communities, economic development, and land use regulation. CT LAC was particularly interested in sections 9, 10 and 11, which contained the solar panel language we have worked with legislators on for the past 3 years.



Notably, the bill requires condominium or planned community unit owners to get their association's approval to install solar panels on single-family detached units. The unit owner must apply with the association's executive board and do so as directed by the board. Upon receiving the unit owner's application, the board must acknowledge receipt in writing within 30 days and issue in writing a decision or request for additional information within 60 days. If the board asks the owner to give additional information about the proposal, it has up to 30 days after receiving the information to deny the application. The application is deemed approved if the board does not deny it in writing within these timeframes. The board must process these applications in the same way applications for additions, alterations, or improvements are processed under the association's bylaws or declaration. The board may not unreasonably withhold approval if the unit owner complies with the bill's requirements.

During the 2023 Legislative Session, this bill was proposed by former State Representative Jeff Currey in response to a constituent who wanted to install solar panels on his standalone condo unit. CT LAC worked closely with Rep. Currey as soon as the bill was proposed to express interest in collaborating to craft legislation that protects the rights of homeowners as well as the ability of community associations to reasonably self-regulate. Rep. Currey collaborated with CAT throughout the session to ensure that the final language of the bill aligned with CAI's positions on Solar Rights and Easements. Since the 2023 Session, the LAC has continued to work collaboratively with the leaders of the Planning and Development Committee to ensure that the language remained acceptable.

Status: Signed by Governor on June 23, 2025 - Public Act - PA 25-73.

HB 5677 and HB 5613 - CONCERNING SOLAR INSTALLATIONS/SOLAR POWER GENERATORS IN CERTAIN COMMON INTEREST OWNERSHIP COMMUNITIES.

CT LAC opposed these bills, both of which would have prohibited any common interest ownership community from prohibiting the installation of a solar power generating system on the roof of an owner's unit. These bills both contained overly vague language that did not specify whether or not associations were permitted to establish reasonable rules and regulations regarding the installation and use of solar power generators within the community.

Per its <u>public policy on Conservation</u>, <u>Sustainability</u>, <u>and Green Issues</u>, CAI supports environmental and energy efficiency policies that recognize and respect the governance and contractual obligations of community association residents as the best mechanism to enact sustainable environmental policies. CAI also supports efforts by state legislatures to



empower community associations to build consensus-based solutions regarding environmental initiatives, including the use of solar power, and opposes government and interest group efforts to override community policy or deed restrictions on single interest issues.

Status: Language incorporated into other legislation (HB 6957)

SB 816 – AN ACT CONCERNING RESERVE FUNDS IN COMMON INTEREST COMMUNITIES.

CT LAC sought amendments to this legislation, which addressed reserve funds for common interest communities. Under this bill, the executive board of any common interest community would have been required to perform an annual study of the association's funds in reserve and make recommendations concerning the allocation of funds to such reserves.

Reserve studies are budgetary planning tools to help community associations understand and prepare for the maintenance and replacement of the components of the community association for which it is responsible. A Reserve Study includes a Physical and Financial analysis along with a recommended Funding plan for providing adequate funding such that execution of these projects can occur without reliance on additional supplemental funding sources.

As per its <u>public policy on Reserve Study and Funding</u>, CAI supports policy that requires reserve studies to be prepared in compliance with the most current edition of the Reserve Study Standards. CAI also supports mandated reserve studies and funding for new and existing community associations as well as periodic reserve study updates be performed. CAI sought amendments to better align with its public policy in regard to the timing of reserve studies. <u>CAI's best practice</u> is that Level I Full or Level II Update with site visit review should be completed no less than every five years (legislative) and three years (best practices).

Status: Bill died

SB 1357 - AN ACT CONCERNING THE DEPARTMENT OF CONSUMER PROTECTION'S RECOMMENDATIONS REGARDING VARIOUS STATUTES CONCERNING CONSUMER PROTECTION.

CT LAC monitored this legislation, which makes various changes to the consumer protection statutes. Of concern to CAI are the sections concerning community association managers. The bill limits which occupational licensees providing their services to an



association are not required to register as a community association manager. Currently, anyone licensed under statute or court rules who provides services to an association under a license for pay is not considered to be providing association management services that require registration. The bill limits this registration exemption to licensed attorneys, certified public accountants, and insurance producers who provide services to an association for a fee. The bill also specifies that a person providing administrative support services to a community association manager is not required to register as a community association manager. The bill requires a community association manager who contracts with an association to provide association management services to make certain disclosures to the association in clear, conspicuous writing.

As per its <u>public policy on Manager Licensing and Model Legislation</u>, CAI encourages the self-regulation of the community management profession through professional certification and designation programs developed by industry professionals for the profession.

Status: Signed by Governor. Effective Immediately, except disclosure provisions effective October 1, 2025.

HB 7027 - AN ACT PERMITTING THE USE OF CONDOMINIUM DEPOSITS FOR CONSTRUCTION AND DEVELOPMENT.

CT LAC monitored this legislation, which, under certain conditions, allows residential condominium developers ("declarants") to use a purchaser's deposit for actual construction costs, rather than keeping the funds in escrow. The bill's provisions apply to condominiums governed by the state's Common Interest Ownership Act.

Existing law requires certain deposits toward the purchase or reservation of a condominium (or other common interest community) unit to be placed in escrow. This applies if the seller is someone, such as the declarant, required to deliver a public offering statement before offering units to the public. Current law requires these deposits to be kept in escrow until delivered to the declarant (at closing or due to the purchaser's default) or refunded to the purchaser. The bill provides an additional option by allowing the deposit to be used for construction costs. Specifically, it allows the declarant, under certain conditions, to withdraw funds from the escrow account, in excess of 1% of the purchase price, for the actual costs (see below) of the condominium's construction, development, and design. This is allowed under this bill if (1) the sale contract provides for it and (2) the purchaser represents in the contract that the purchaser is an accredited investor as defined in federal securities regulations. If the outlined criteria are met, the declarant may



withdraw funds from escrow when construction has begun, for eligible costs incurred after the end of the purchaser's 15-day right to cancel the contract.

Under the bill, if the purchase agreement allows the deposit's use for this purpose, it must include the following statement, in bold type, on the first page and immediately above the space for the purchaser's signature: "ANY PAYMENT IN EXCESS OF ONE (1%) PER CENT TOWARDS THE PURCHASE PRICE MADE TO THE DECLARANT PRIOR TO CLOSING PURSUANT TO THE PURCHASE AGREEMENT MAY BE USED FOR ACTUAL COSTS OF CONSTRUCTION, DEVELOPMENT, AND DESIGN, AS DEFINED IN C.G.S. 47-271."

The bill also specifically requires any deposits or other payments made before the closing on the initial sale of a residential condominium unit, and for related common elements, to be held in escrow. This applies to units with building permits issued after June 1, 2025, to be occupied by the purchaser or his or her family member or employee. It is still unclear how this requirement aligns with the bill's provisions on withdrawing escrow funds for construction costs.

Status: Signed by Governor on June 30, 2025. Public Act – PA 25-146. Effective July 1, 2025.

SB 1014 - AN ACT CONCERNING INVESTIGATIONS OF EXECUTIVE BOARDS AND PROPERTY MANAGERS OF COMMON INTEREST COMMUNITIES.

CT LAC monitored this legislation, which aimed to (1) provide the Department of Consumer Protection and the Commission on Human Rights and Opportunities with the ability to investigate any complaint that an executive board or property manager of a common interest community is violating (A) the civil rights of residents of such common interest community, or (B) conflict of interest rules, and (2) require that the conduct of any executive board of a common interest community may constitute state action for civil rights purposes.

Status: Bill died

HB 5111 and HB 5428- CONCERNING MOBILE MANUFACTURED HOMES AND MOBILE MANUFACTURED HOME PARKS.

CT LAC monitored these bills, both of which sought to define and set provisions around ancillary fees and ancillary fee caps in regards to mobile manufactured home parks.

Specifically, HB 5111 would have defined "ancillary fee," required each park owner to prepare and publish a comprehensive and itemized list of all ancillary fees payable by



residents, required that information concerning ancillary fees be included in the disclosure statement, required the Department of Consumer Protection to establish a resident complaint process, required that each park owner provide at least 90 days' advance written notice of a proposed rent increase, and prohibited certain rental agreement provisions concerning ancillary fees.

HB 5428 would have capped rent increases and ancillary fees imposed by mobile manufactured home park owners, established additional enforcement measures and penalties concerning mobile manufactured home park owners, subjected certain files to the Freedom of Information Act, modified the method for appraising mobile manufactured homes and the amount of relocation expenses paid to mobile manufactured home park residents, and required mobile manufactured home park owners to submit reports to the Department of Consumer Protection concerning fire hydrant water capacity and flow.

Status: Both bills died

HB 6787 - AN ACT REQUIRING CERTAIN COMMON INTEREST COMMUNITIES BE ELIGIBLE FOR TAX CREDITS FOR REHABILITATION OF HISTORIC PROPERTY.

CT LAC monitored this legislation, which aimed to make certain historic common interest communities eligible for tax credits for rehabilitation of historic property. It included tax credits for rehabilitation of common interest communities containing more than 4 dwelling units, provided (1) such common interest community is in a financially distressed municipality, (2) such common interest community is listed individually on the National or State Register of Historic Places, or located in a district listed on the National or State Register of Historic places, and has been certified by the Department of Economic and Community Development as contributing to the historic character of such district, and (3) more than 1/2 of the dwelling units in such common interest community are owner occupied or such common interest community is certified by the Federal Housing Administration.

Status: Bill died

HB 6158 - AN ACT CONCERNING THE ASSERTION OF A SPECIAL DEFENSE AGAINST A CLAIM OF NONPAYMENT OF A COMMON EXPENSE ASSESSMENT.

CT LAC monitored this legislation, which would have permitted condominium unit owners to assert a special defense against a claim of nonpayment of a common interest assessment under certain circumstances. Specifically, it would have allowed nonpayment



due to gross negligence without inhabitability as a special defense against a claim of nonpayment of a common expense assessment.

Status: Bill died

HB 6144 - AN ACT REQUIRING THAT RESALE CERTIFICATES APPLY TO CERTAIN COMMON INTEREST COMMUNITIES.

CT LAC monitored this legislation, which would have required that the provisions of the Common Interest Ownership Act concerning resale certificates apply to common interest communities created in this state before January 1, 1984.

Status: Bill died

HB 6350 - AN ACT REQUIRING ACCESSIBILITY OF RECORDS TO UNIT OWNERS IN COMMON INTEREST COMMUNITY ASSOCIATIONS.

CT LAC monitored this legislation, which aimed to improve transparency for unit owners in common interest community associations. It would (1) require that all common interest community associations make all records required to be retained under the Common Interest Ownership Act and any other applicable law available to unit owners and accessible through an Internet web site portal that is free and available to be accessed at any time, provided such information includes, but is not limited to, any declaration, association documents, bylaws, adopted rules, budget, contracts with any third parties, including property management companies and other vendors, receipts from expenses from at least the prior twelve months, a list of board members and their contact information and minutes from board and association meetings from the prior twelve months; and (2) exempt a common interest community association from this requirement for a period

Status: Bill died

HB 5189 - AN ACT CONCERNING THE TAX ASSESSMENT OF COMMON INTEREST COMMUNITY UNITS UPON THE REDUCTION OF MUNICIPAL SERVICES.

CT LAC monitored this legislation, which would have allowed a municipality to reduce the assessed value of any unit located in a common interest community when such unit no longer receives certain municipal services, including, but not limited to, the collection and disposal of garbage, trash, rubbish, waste material or the maintenance of roads that provide access to such unit.

Status: Bill died



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CAI CT Contact Information:

<u>CAI Connecticut Legislative Action Committee</u> - (888) 224-4321 <u>CAI Connecticut Chapter</u> - (860) 633-5692