

Condominium Unit Owners' Access to Financial Information

By: James Orlando, Chief Attorney
September 27, 2022 | 2022-R-0183

Issue

Summarize unit owners' rights under the Connecticut Common Interest Ownership Act to financial information about the association. This report updates OLR Report [2017-R-0162](#).

Summary

The Common Interest Ownership Act (CIOA) ([CGS § 47-200](#) et seq.) requires common interest community associations to retain various records related to their expenditures and other financial matters (including financial statements and tax returns for the past three years) and make those records available to unit owners. CIOA also requires association boards to provide unit owners summaries of the association's proposed budget and special assessments.

In addition, CIOA requires association boards to provide financial information in certain other specific situations, such as before entering a loan agreement on the association's behalf.

This report does not address obligations of the declarant (developer) to provide financial information during the period of declarant control or after relinquishing control. For information on these requirements, see [CGS § 47-245\(h\) and \(i\)](#).

Common Interest Ownership Act (CIOA)

CIOA governs condominiums and other common interest communities formed in the state on and after January 1, 1984. Certain CIOA provisions (including most of those cited in this report) also apply to common interest communities created in Connecticut before January 1, 1984, but do not invalidate existing provisions of the communities' governing instruments. Common interest communities created before that date can amend their governing instruments to conform to portions of CIOA that do not automatically apply.

Unit Owners' Right to Financial Information

General Association Recordkeeping and Disclosure Requirements

CIOA requires common interest community associations to keep various records (including records related to their expenditures and other financial matters) and make those records available to unit owners. For example, an association must retain the following:

1. detailed records of receipts and expenditures affecting its operation and administration and other appropriate accounting records, including records relating to any reserve accounts;
2. financial statements and tax returns for the past three years;
3. financial and other records sufficiently detailed to enable the association to comply with CIOA's resale certificate requirements (see below); and
4. copies of current contracts to which it is a party.

Subject to certain exceptions, CIOA requires an association to make all of its retained records available to unit owners or their authorized agents for in-person or electronic examination and for copying. Specifically, the records must be available (1) during reasonable business hours or at a mutually convenient time and location and (2) upon 30 days' notice in a record reasonably identifying the specific records requested. The association, within five business days after receiving the request, must provide the unit owner or agent with two dates on which the records may be available for examination, copying, or both. The law prohibits an association's declaration or bylaws from overriding these records access provisions.

The association may charge a reasonable fee for providing record copies and for supervising the owner's inspection.

Certain records must be withheld from inspection and copying (e.g., personnel, salary, or medical records about specific people unless they consent to the disclosure). The association may withhold certain other records from inspection and copying (e.g., contracts currently being negotiated) ([CGS § 47-260](#), as amended by [PA 21-169](#)).

Budget Summaries and Changes

By law, common interest community association boards must adopt a proposed budget at least annually. Within 30 days after adopting the proposed budget, the board must provide unit owners a summary. This summary must include a statement of the (1) amount of any reserves and (2) basis on which the reserves are calculated and funded. The board also must schedule the budget vote to occur 10 to 60 days after providing the summary ([CGS § 47-261e\(a\)](#)).

For each annual and special meeting of unit owners, associations must provide notice between 10 and 60 days before the meeting. The required notice must indicate the items on the meeting agenda, including any budget changes ([CGS § 47-250\(a\)\(3\)](#)), as amended by [PA 21-169](#)).

Special Assessments

Under CIOA, an association board also must provide unit owners with summaries of proposed special assessments within 30 days after adoption. Only certain special assessments are subject to unit owner approval; in these cases, the board must provide the summary between 10 and 60 days before the vote.

If the board determines that a special assessment is needed to respond to an emergency, the board must promptly provide notice of the assessment to unit owners ([CGS § 47-261e\(b\) and \(c\)](#)).

Other Provisions

CIOA gives unit owners the right to financial information about the association in certain other contexts, including the following.

Loan Agreements. At least 14 days before entering a loan agreement on the association's behalf, the board must (1) disclose in a record to all unit owners the loan's amount, terms, and estimated effect on any common expense assessment and (2) give the unit owners a reasonable opportunity to submit comments ([CGS § 47-261e\(d\)](#)). If the board proposes to enter a loan agreement and assign its right to future income as security for the loan, the unit owners must vote on the assignment ([CGS § 47-261e\(e\)](#)).

Judgment Liens Against the Association. The association must promptly notify unit owners if a court orders a money judgment against the association. The notice must indicate the party names and the judgment date and amount and include a statement that the judgment creditor is entitled to a lien affecting the unit owner's interest in his or her unit ([CGS § 47-259\(c\)](#)).

Information for Resale Certificate. When a unit owner is selling his or her unit, the owner generally must provide the purchaser or purchaser's attorney with a resale certificate which includes specified information about the association's finances. Within 10 business days after a unit owner's request and payment of any required fees (which are subject to certain limits), the association must provide the owner with the information needed for the certificate ([CGS § 47-270](#)).

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