7.1.3.

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Condominium Property Amendment Act

Overview of Key Changes

The changes set out in the *Condominium Property Amendment Act*, will:

1. Improve protection for buyers by:

- mandating the appointment of an interim board to run the affairs of the corporation while the developer owns a majority of units;
- strengthening the Province's power to inspect, investigate and enforce rules respecting condominium sales;
- expanding purchase disclosure information to include:
  - a statement setting out a fixed date or range of dates, including a final date, by which the unit must be ready for occupancy
  - a budget or proposed budget for the corporation
  - notice of material changes to the purchase agreement or other required information
  - summary of findings from a Building Assessment Report prepared for existing buildings converted to condominiums
  - a copy of the home warranty insurance contract under the *New Home Buyer Protection Act,* where the corporation is or will be named as the insured

2. Improve protection for existing owners by:

- limiting the circumstances in which a board may impose a special levy and requiring boards to provide owners key information, in advance, pertaining to an impending levy;
- restricting the registration of a caveat against an owner's title for unpaid contributions to only those contributions permitted under the Act. This means that a charge to an owner's unit for monetary sanctions imposed under a bylaw or other debts claimed by a corporation may only be registered against a unit title by caveat if the sanctions or debts are found by a court to be valid but remain unpaid;
- capping the expenses that may be included in the caveat in connection with the preparation, registration, enforcement and discharge of a caveat;*
- limiting the amount of monetary sanctions that can be imposed in accordance with bylaws*; and
- limiting the circumstances under which an owner's right to vote may be suspended.

3. Enhance board transparency and accountability by:

- requiring a board to hold a special general meeting if requested by 15% or more of the owners;
- requiring a board to notify owners of key changes to the corporation's insurance policy, including changes to deductibles, property replacement cost value and any permitted exclusions;
- requiring a board to provide a minimum 14-day notice of a meeting of the owners and include copies of financial statements, the annual budget and annual report on the reserve fund;
- ensuring rules adopted by the board are reasonable and consistent with the Act, regulations and bylaws, and are properly disclosed to owners and tenants

4. Allow for efficient governance by:

- enabling directors to participate in board meetings electronically;
- enabling certain types of votes to be conducted electronically*;
- validating "show of hands" voting and clarifying procedures for voting in writing or at general meetings;
- enabling certain agreements entered into by the developer to be cancelled within one year of aboard being elected
- expanding the permitted uses of the reserve fund to allow for payment of a reserve fund study and report or other expert report, and any improvements required by law;
- prescribing maximum fees that can be charged for corporation documents*; and
- clarifying insurance, maintenance and repair obligations of the corporation and unit owners*.

5. Raise standards in Alberta's condominium management sector by:

- designating the Real Estate Council of Alberta (RECA) as the regulator of condominium managers; and
- enabling RECA to establish licensing requirements for condominium managers, including education and training requirements.

6. Enhance dispute resolution by establishing the framework for a new tribunal that will hear and settle a variety of disputes:

- the tribunal will:
  - be an affordable and efficient forum (or decision maker) for certain types of condominium disputes between boards owners, occupants and other interested parties;
  - operate under rules and procedures set out in the regulations, to ensure hearings are fair and efficient;
  - operate in a limited geographic area (e.g. Edmonton or Calgary) during a pilot phase;
  - be expanded laterto hear a wider range of disputes in a greater number of locations across the province;

- Courts may continue to hear certain disputes that fall outside the tribunal's jurisdiction, for example, disputes regarding real property (e.g. unit foreclosure, modification of a condominium plan).

*Matters to be addressed in the regulations supporting the Act.

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November 2009: Working Committee Formed

Service Alberta created a 16-member working committee to look at issues affecting the industry.

Its membership consisted of:

- Canadian Condominium Institute - North Alberta;
- Canadian Condominium Institute - South Alberta;
- Alberta Real Estate Association;
- Association of Condominium Managers of Alberta;
- Canadian Home Builders' Association – Alberta;
- Other members representing developers, owners and the legal community.

Early 2013: Let's Talk Condos Survey Launched

Based on input from the working committee, Service Alberta developed Let's Talk Condos, a consultation survey covering a number of topics, including dispute resolution, purchase cancellation rights, insurance requirements, disclosure to buyers, board governance, and standards of practice for condo managers.

The survey was posted online between February and May 2013. In all, about 4,000 responses were received from the survey (the majority from condo owners) and in meetings and conference calls between stakeholders and the Minister.

The *Condominium Property Act* Review Consultation Analysis Report, which contains a summary of the responses to the consultation survey Let's Talk Condos, is available here .

Fall 2013: Task teams formed

Based on the responses to the survey, six task teams were assembled to discuss the following issues: Reserve Funds, Governance, Condominium Managers, Insurance, New Condominiums, and Dispute Resolution.

Membership for each of the task teams were as follows:

Reserve Fund Task Team

- Canadian Condominium Institute – North Alberta

- Canadian Condominium Institute – South Alberta
- Real Estate Institute of Canada – Alberta
- Other members representing developers, engineering firms, and condominium owners.

Governance Task Team

- Association of Condominium Managers of Alberta
- Alberta Real Estate Association
- Canadian Condominium Institute – North Alberta
- Canadian Condominium Institute – South Alberta
- Condominium owners

Condominium Managers Task Team

- Association of Condominium Managers of Alberta
- Alberta Real Estate Association
- Canadian Condominium Institute – North Alberta
- Canadian Condominium Institute – South Alberta
- Real Estate Council of Alberta
- Condominium owners and management companies.

Insurance Task Team

- Alberta Treasury Board and Finance
- Insurance Bureau of Canada
- Members representing condominium owners, insurance industry, and legal community

New Condominiums Task Team

- Alberta Land Surveyors' Association
- Alberta Real Estate Association
- Canadian Home Builders' Association - Alberta
- Canadian Condominium Institute - North Alberta
- Canadian Condominium Institute – South Alberta
- Members representing condominium owners, and the legal community

Dispute Resolution Task Team

- Appropriate Dispute Resolution (ADR) Institute of Alberta
- Canadian Condominium Institute – North Alberta
- Residential Tenancy Dispute Resolution Service
- Members representing condominium owners, dispute resolution mediation and the legal community

Early 2014: Amendments drafted and tabled

- Service Alberta staff drafted more than 50 amendments based on stakeholder input from the task teams.
- Bill 13 was tabled for first reading in May 2014.

Summer 2014: Additional consultation

- After Bill 13 passed first reading, Albertans were invited to review the draft legislation and submit their comments by email.

The following organizations were also invited to comment on the amendments:

- ADR Institute of Alberta
- Alberta Land Surveyors' Association
- Alberta Real Estate Association
- Association of Condominium Managers of Alberta;
- Building Owners and Managers Association
- Canadian Condominium Institute, North and South Alberta chapters
- Canadian Home Builders' Association
- Insurance Bureau of Canada
- Real Estate Council of Alberta

Meetings were held with the Canadian Home Builders Association and the Governance and New Condo task teams in June and July to go over the proposed amendments.

Based on the input of Albertans and industry stakeholders over the summer, refinements to the proposed amendments in Bill 13 were made.

Fall 2014: Re-introduction of amendments

When the fall 2014 session of the legislature was prorogued, the Condominium Property Amendment Act required re-introduction.

The Act was tabled in December 2014 as Bill 9, and included refinements made during the summer of 2014.

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