



# Bill 106 The 'New' Condo Act

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# Bill 106: The 'New' Condo Act

- **Formal name:**

*An Act to amend the Condominium Act, 1998, to enact the Condominium Management Services Act, 2015 and to amend other Acts with respect to condominiums*

- **Short Title:**

*Protecting Condominium Owners Act*

# Bill 106: The 'New' Condo Act

- Introduced by **Minister David Oraziotti** (Minister of Government and Consumer Services)
- **First reading** on May 27, 2015
- **Second reading** Sept. 15 to Oct. 7, 2015 (10 hours)
- Tabled before the ***Standing Committee on Finances and Economic Affairs*** (October 7, 2015 to date)
- Will come into force... ?

# Bill 106: Consultative process

- Approx. 1.3M of Ontarian live in Condos (1 in 10)
- Approx. 700,000 condo units in 10,000 corporations in Ontario (approx. 1,000 in Ottawa)
- Sector worth \$45B, employing more than 300,000
- Extensive public consultation process involving owners, residents, developers, managers, lawyers and industry experts (launched March 2013)
- 2,200 submissions and more than 200 specific recommendations

## This legislation :

- Amends the existing one (rather than repeal it)
- Presents sweeping reforms to the existing Act
- Makes changes to other statutes (including *New Home Warranties Plan Act*)
- Proposes a new act: *The Condominium Management Services Act, 2015*

## **This legislation :**

- Improve dispute resolution for owners and boards
- Better consumer protection
- Better financial management rules for condos
- Creates a New Condo Authority
- Creates a New Condominium Authority Tribunal
- Creates a New Condo Manager Authority

# Bill 106: New Condo Authority

- The **Condo Authority** is to be not-for-profit, self-financed and not a crown corporation
- Its mandate:
  - Provide info and resources to condo owners & Corps.
  - Oversee mandatory training for condo directors
  - Oversee the administration of the new Tribunal
- How will it be financed?

## The Condo Authority Tribunal

- Jurisdiction to adjudicate disputes between corporations, owners, occupiers, and mortgagees
- Will NOT have jurisdiction to adjudicate dispute involving Property managers or developers



## The **Condo Authority Tribunal's** powers

- Refer disputes to ADR
- Order compliance
- Order damages (up to \$25K)
- Order a party to pay legal costs
- Penalties on corporations who fail to disclose
- Any other reliefs the CAT considers fair...

## The **Condo Authority Tribunal's** powers

- Damage awards can be 'set off'
- The winner can claim "actual costs" (leveling playing fields)
- 2 years to make application – expandable to 3 !
- Appeals allowable on law only
- Arbitration and mediation still mandatory
- Appointments done by the Condo Authority

# Bill 106: Directors' qualifications

- Directors' qualification remain the same
  - Individuals (not corporations)
  - Capable
  - Not undischarged bankrupt
- Mandatory training
- Directors required to disclose information

# Bill 106: Corporation's reporting obligations

- Registry of all corporations
- Annual returns to the Condo Registrar
  - Changes to directorship (what info to be included?)
  - Address of service?
  - Number of units?
  - ???
- Accessible to the public

## Calling an AGM:

- 35 day Advance notice (none required now)
- 15 day regular notice (same as now)
- Forum remains at 25% but reduced to 15% on third and subsequent attempts
- Will allow electronic or telephonic votes

# Bill 106: “Special” Owners Meeting

- 15% can requisition an Owners’ meeting
- Corp will have up to 50 days to call/hold meeting (up from 35)
- Corp. must respond within 10 days – must advised of the reason if it refuses to hold the meeting
- Requisitionists can correct / withdraw their request
- 20 days to bring the matter to adjudication if no meeting is called
- Notice of meeting still 15 days

- Brand new part on adoption of budget
- Budget still not subject to vote
- Adopted 30 days before year-end;
- Circulated 15 days before year end
- Cannot be implemented until circulated
- Requirement to deal with over budget items
- Requirements when changes to budget

- Regs. may define “major repairs”
- Regs. may define what is “adequate funding”  
(presently *for the expected costs of major repairs and replacement of common elements*)
- May be use for common elements, assets and units
- Introduces Reserve Fund Study providers (presently: appraisers, architect, engineers, reserve planners, surveyors...)



# Bill 106: Corporate records

- Clarifies what is a “corporate record” and how long they must be retained
- Proxies and voting ballot treated as corporate records
- Process for owners to access records is simplified
- Penalty for not granting access can go up to \$5,000 (from \$500)
- Exceptions to access records are the same

# Bill 106: Repair and Maintenance obligations

- Obligation to repair unit to fall on owners (unless...)
- Definition of “Substantial change” to common elements similar to old Act (threshold increased)
- Insurance Deductible by-law may now require amendments to Declaration

# Bill 106: The Condominium Services Act

- PMs would become CMs
- Creation of not-for-profit Administrative Authority to oversee property manager
- Mandatory licensing requirements
- Regulatory powers and mandatory training
- Implementation of complaints procedure
- Disciplinary Committee to be established could fine the licensees when in breach of the Act;

# Bill 106: The Condominium Services Act

- CMs would be required to have a written contract when providing management services
- The Act would allow for the appointment of inspectors and would grant them inspection powers;
- In case involving protection of the clients this regulatory entity could freeze assets of licensees, former licensees and wanna-be-licences;
- Tremendous powers over CM
- Possible code of ethic

# Bill 106: Steps before the Bill becomes Law

- Vast consultative process
- First and second readings are done
- Committee work (deadline to make submissions have passed)
- Third reading
- Royal Assent and coming into force
- Regulation

## Questions?

More info on this at

[CondoAdviser.ca](http://CondoAdviser.ca)



Thanks! / Merci !



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