

NEWS

Condominium Property Act and Regulation Amendments

January 30, 2019

The McLeod Law Condominium Group held a town hall meeting in January 2019 for industry professionals to provide an update on the recent changes to the *Condominium Property Act* and Regulation amendments. They explained the significance and implications of how the Regulation amendments may impact condominium properties to help Property Managers prepare and respond. The following is a summary of those changes.

Where can I find the changes?

1. [Order in Council of December 13, 2018](#)
2. [Condominium Property Amendment Act](#)
3. [Annotated and colour coded regulation](#)

Bylaws

1. Appendix "1" Bylaws expanded and moved to Regulation
2. If previously governed by Appendix 1, now "by new regulation"
3. Have one year to pass Ordinary Resolution to bring Bylaws into conformity
4. Does not apply to adding new Bylaws or changing non-conflicting Bylaws

Rules

1. Board can make, amend or repeal rules respecting procedures
2. Must be "reasonable and consistent" with Act, regulation and Bylaws
3. Must not restrict use of a unit
4. Generally, must inform owners and tenants at least 30 days before effective
5. Within 90 days of July 1, 2019, compliance with Act required

Notices

1. Bylaws may provide for electronic voting by Board
2. Electronic voting by owners also permitted
3. Bylaw infractions also have specific requirements for notice

Annual General Meeting

1. 60 day "save the date" notice and call for agenda items
2. AGM Notice:
 - i. Provide minutes of all Board meetings (not just post to the website)
 - ii. 14 days' notice
 - iii. Other specified inclusions
3. AGM Minutes:
 - i. Within 30 days after AGM
 - ii. Filed Notice of Board members
4. AGM Voting and Disclosure: Results of votes within 30 days

Proxies

1. Restrictions set on who can hold a proxy
2. Where two or more proxies from same unit, only most recent valid
3. Must be in electronic or hard copy and contain specific details
4. Rules and procedures may be added

Voting

1. Owner can vote for each unit owned
2. Cannot vote if 60 days in arrears
3. Specifies counting of votes for each type of vote
4. Details procedures for written resolutions
5. Disclosure of voting results
6. Electronic voting
7. Existing Special Resolutions

Budget

1. Send to owners and mortgagees at least 30 days prior to start of fiscal year
2. Send revised budgets out as soon as possible

Borrowing

1. Borrowing resolution must specify maximum amount
2. Can have more than one borrowing resolution in a year

Contributions, Special Levies, Caveats

1. Mandates "operating account" for payments not to be paid out of reserves
2. Special Levy resolution must include specific details, and notification requirements set out
3. Can only issue a Special Levy for permitted purposes
4. If excess amount collected must put remainder in reserve
5. Can add to caveat reasonable registration/discharge costs and legal costs

Insurance (Effective January 1, 2020)

1. Defines standard unit corporations must identify for insuring
2. Corporations can pass bylaw requiring owners to carry deductible insurance
3. If included in standard unit description, not considered improvement
4. Corporations to insure units, fixtures and finishings but not improvements, and only shell of non-residential units

5. Owners to be notified of changes to key insurance information
6. Corporation responsible for overseeing repairs to items/areas it insures, while owners are responsible for all other repairs
7. Repairs to be made to “standard insurable unit” description, with exceptions
8. In certain situations if owner fails to repair corporation may do and bill back
9. Corporation may claim back deductibles up to \$50,000.00, with exceptions

Fidelity Bond

1. Now Mandatory for Manager and Board Members
2. Must equal amount of Reserve Fund balance and maximum balance of Operating account in last 12 month period.
3. Must be reviewed at least once every 2 years

Sanctions

1. Must serve a ‘warning’ and only after deadline can sanction
2. If sanctioning tenant must provide notices to Owner
3. Only Board members can impose sanctions or issue notices
4. Can caveat for a fine only after writ of enforcement granted/obtained
5. Maximums are set out
6. Cannot sanction for violation of a rule

Rental Deposits

1. Maximums set out
2. Deposit returns must include interest
3. Must provide owners itemized list and purpose of deductions

Reserve Fund

1. No longer reference “qualified person”, rather, “reserve fund study providers”
2. Specific qualifications set out
3. Parties who may have conflict disqualified
4. Time period extended from 25 to 30 years
5. Methods for conducting reserve fund studies specified
6. Additional disclosure requirements

Documents Provided by Corporation

1. Additional documents set out, and costs specified
2. Retention periods specified

Transfer of Common Property

1. Corporation is required to obtain consent
2. Mechanisms to do it by Court Order
3. Disposition of proceeds of sale set out
4. Parking spaces for visitors or persons with disabilities addressed

Looking to the Future

We do not yet know when Stage 3 will be released, regarding dispute resolution. To receive updates please

[subscribe here.](#)

For further information about the *Condominium Property Act* amendments, please contact any member of our Condominium Law Group.