

## Helping condominium owners

Legislative changes would improve voting rights, financial protections



### What we want to do...

Service Alberta is proposing to amend the *Condominium Property Act* (CPA) to increase the transparency and flexibility of condominium laws. Included in these amendments are changes to voting rights, and damage chargebacks to owners. If passed, these changes would strengthen the self-governance of condominiums, reduce financial risk for owners and corporations, and increase clarity for volunteer boards.

### Voting rights

- **How it works now:** Currently, the CPA only authorizes voting based on unit factors for votes on matters in condominium corporation meetings. Unit-factor votes are a “weighted” vote based on the size and number of condominium units owned by a member of the corporation. The votes from owners of larger condominiums and/or with multiple units carry more weight than votes of owners of smaller ones and/or a single unit. Whenever a vote is conducted at a meeting, the unit-factors must be counted to determine how many each voter owns, and how they apply to the issue being voted on.
- **Why this needs to change:** Voting by unit factor can slow meetings down, as calculations are often required after each vote – even for simple matters, such as approval of an agenda. People who live and work in the condominium sector say there needs to be more flexibility in how votes are conducted.
- **How we are changing it:** The proposed amendments would enable a less complicated voting approach - an owner-based method of voting - in condominium corporation meetings for simple matters other than the current sole option of unit-factor votes. Owners would still be able to request a unit-factor vote before the results of an owner-vote are announced. Also, when passing a special resolution, we will clarify that corporation-owned units vote with the majority.
- **The benefits:** This new additional method of voting would allow each owner to have one vote, regardless of the size of their condominium. Condominium corporations can change their bylaws to change the owner-vote to something else such as one vote per unit. Votes on simple matters could then occur without complex unit factor voting, speeding up meetings.

### Damage chargebacks

- **How it works now:** Currently, condominium corporations often end up in court to recover costs of repair for damages attributable to owners.
- **Why this needs to change:** Condominium corporations are at risk when significant costs to repair damages occur and the person who caused them does not want to pay. In addition, corporations (and, thus, all unit owners) incur additional costs related to efforts to recoup the costs of repair, such as legal fees, administrative costs, and insurance deductibles. These costs are passed on to all owners through condo fees, special levies, or increased insurance premiums.
- **How we are changing it:** If passed, the amendments would allow a condominium corporation to charge back costs related to repairs for damages as a result of an owner, an occupant, or the person for whom the owner or occupant is responsible, as set out in regulation, without having to go to court. Chargebacks, including reasonable administrative costs and legal fees, would be contributions; a corporation can apply to place a caveat on a unit if those contributions go unpaid.
- **The benefits:** Charging back costs related to damages will reduce the likelihood of increased condominium fees to cover repair costs and associated legal or court costs. This type of chargeback will be faster than going to court. Another added benefit is that this change will reduce pressure on the court system.

For more information, look for the *Condominium Property Amendment Act* page on [alberta.ca](http://alberta.ca).

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