

## Proposed New Condo Regulation – Mandatory Training and Disclosure for Condominium Board Directors

Being a condominium director is a volunteer position. However, it comes with considerable responsibility, as the board of directors of a condominium corporation has the responsibility to manage the affairs of the corporation. For many unit owners, their condominium unit is their largest financial investment – so it is crucial to them that the condominium corporation is well-managed.

When the Government of Ontario conducted its review of the Condominium Act, 1998 concerns were raised about the potential risks arising when a condominium board was composed of individuals who lacked the training or experience to deal with the many issues that face a condominium board. An inexperienced board could make bad decisions.

In order to address these concerns and improve director accountability, the Government is proposing a new regulation that will impose mandatory training and disclosure for condominium board members.

### **Training**

The proposed regulation will require all directors to complete the required training designated by the new Condominium Authority or the Minister of Government and Consumer Services within 6 months of being elected or appointed to a board. Directors would be required to retake the training if they are elected or appointed to the board again and have not completed the training within the previous seven years.

Directors who were elected or appointed before the training requirements become effective will not be required to take this training unless they were elected or appointed 40 days prior to the changes coming into effect.

Directors of the pre-turnover board controlled by the developer would be exempt from the training requirements, unless they are elected or appointed to the board on or after the turnover meeting.

The Condominium Authority will develop the content of the training by designating the training courses that directors would need to take and may designate other organizations to provide the training courses. To date, the requisite training courses and the organizations who will be providing them have not yet been designated. Information about the courses and the organizations providing them will be posted on the Condominium Authority's website.

Directors will have the right to be reimbursed by their condominium corporation for any costs directly incurred in taking the required courses and must, within 15 days of receiving evidence of completing director training, send evidence of completion to their condominium corporation. The Condominium Authority will also maintain records of all persons who have completed the director training courses.

## **Disclosure**

The proposed regulation also provides that candidates for director positions (excluding directors on the pre-turnover developer-appointed board) must disclose the following information prior to any election (or appointment in the case of a board vacancy):

1. If the candidate is a party to any active legal action to which the corporation is also a party, together with a description of the legal action;
2. If the spouse, child, or parent of the candidate, or the child or parent of the candidate's spouse, is a party to any legal action involving the corporation, together with a statement containing the name of the spouse, child or parent and a description of the legal action;
3. If the candidate has been convicted of an offence under the Condominium Act or the regulations, within the past 10 years, together with a description of the offence;
4. If the candidate has a material interest directly or indirectly in a material contract or transaction to which the corporation is also a party, then a statement of the nature and extent of this interest;
5. If the contract or transaction to which paragraph 4 applies involves the purchase or sale of property by the corporation that the seller acquired within 5 years before the date of the contract or transaction, then the candidate must provide a statement of the cost of the property to the extent to which that information is within the candidate's knowledge or control;
6. If the candidate has a material interest in a material contract or transaction, in a capacity other than as a purchaser, mortgagee, or owner/occupier or a unit, to which the developer or a developer's affiliate is a party as well, then the nature and extent of this interest;
7. If the candidate's common expense contributions are in arrears for 60 days or more;
8. Anything else a condominium corporation's by-laws require.

All of the above information must be current at the time provided by the candidate.

Once a person is elected to a position on the board, the person would be subject to ongoing disclosure requirements for the duration of the person's term.

Those who notify the corporation in advance of their intention to run for the board must provide a written and signed disclosure statement at the time of providing the notice. Those who announce their candidacy at the meeting must provide the requisite disclosure either orally or in writing.

## **Comments on the Proposed Regulation**

The Government has released a draft of the proposed regulation plus a plain language summary to facilitate dialogue on the proposed contents. Comments on the proposed regulation can be submitted to the Government by no later than March 30, 2017. [Click here to submit comments.](#)

The above provisions are planned to come into force on July 1, 2017. However, the obligation to take the training courses will not apply until the courses have been designated. The disclosure obligations will only apply to candidates in elections that are held 40 days or more after the

disclosure requirements are in force and for which a notice of meeting was not sent before the in-force date.