
Condo Smarts

Headline: New Regulations coming into effect

Topic: Form B, Contingency Reserve Fund (CRF)

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Written by: Tony Gioventu

Dear Tony: Our annual meeting was Saturday and there was a lot of confusion around our annual budget and our contribution to our reserve fund. The new changes to the Act that were announced last week, appear to keep the minimum contribution to 10%, which we have faithfully applied in our 22 years. At the meeting, several owners including a realtor raised the issue that we were now required to also replenish funds spent in the previous year in addition to the 10% minimum. In the end the budget was approved and 10% of our annual operating budget was approved to the contingency. Could you please explain the regulations approved in simple language to help us clear up the confusion.

Karen W. North Vancouver

Dear Karen: There were no changes to the *Strata Property Act*, these were changes to the Regulations, which can be confusing if you do not read all provisions passed and when they come into effect. Immediately into effect were the regulation changes to the *Strata Property Act* that applied to age and rental bylaws. Regulations are passed by an order in council and not debated or passed in the legislature. With the removal of rental bylaws and the limit of age to 55 and over, the Regulations that provide definition to the Act had to be amended. These were simply housekeeping changes to complete the amendments passed in November; however, there were two additional changes that will take effect in April and November.

As of April 1, 2023, all strata corporations will be required to attach a copy of their insurance certificate for any requested Form B Information Certificate. The insurance certificate is the summary document owners are provided as part of their report on insurance as part of their annual meeting. This shows the valid and active insurance, the cost, commissions, coverage and

deductibles. It is a significant document that often influences a buyer's interest.

On November 1, 2023, the changes that apply to the contributions to the contingency reserve fund take effect. You are correct, most strata corporations already contribute the 10% minimum to their reserves and this will have little or no effect on their business or strata fees. There is no change or requirement to repay expenses from the reserve fund. If your Annual General Meeting is held on or after November 1st or fiscal year commences November 1st, this minimum will now apply.

The 10% minimum contribution will also apply to new developments filed on or after November 1st. The owner developer will be obliged to contribute 10% of the operating budget of the interim period to the strata corporation contingency fund. The exemptions for contributions after certain levels are reached will no longer exist. To obtain updated copies of the Form B, monitor the BC Government Web site for housing <https://www2.gov.bc.ca/gov/content/housing-tenancy/strata-housing> or sign up at www.choa.bc.ca to receive complimentary automatic e-notice updates.