

THE COMMUNITY BUILDER

2018 Virginia Legislative Update

The following are legislative changes that will have an impact on condominium associations and community associations. These bills were passed by the legislature, signed by the Governor and will become effective July 1, 2018.

(HB 923 - Condominiums) Common Interest Community Board; information on covenants; association disclosure packets and resale certificates. Requires the Common Interest Community Board (Board) to reconfigure its current one-page form that accompanies association disclosure packets that are required to be provided to all prospective purchasers of lots located within a development that is subject to the Virginia Property Owners' Association Act as a cover form to accompany both association disclosure packets and resale certificates that are required to be provided to all prospective purchasers of units located within a condominium that is subject to the Condominium Act. The bill also requires the Board to expand the breadth of information that is included on the form to provide potential purchasers with additional information regarding restrictive covenants that the potential purchaser may be subject to as a member of a property owners' association or a unit owners' association and which may affect the potential purchaser's decision to purchase a lot or unit located within a common interest community.

These items include: annual dues (assessments); special assessments; rental restriction; parking or vehicular restrictions; pet restriction and architectural restriction.

(HB 1031 – Condominiums and Property Owners) Common interest communities; disclosure packets. Requires that as a prerequisite to charging any fees for the preparation of disclosure packets, both professionally managed property owners' associations and property owners' associations that are not professionally managed must register with the Common Interest Community Board, file annual reports, and make annual assessment payments. Additionally, a professionally managed property owners' association must provide the disclosure packet electronically if so requested by the requester in order to charge fees. The bill allows a property owners' association that is not professionally managed to charge fees at the



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option of the seller or the seller's agent for (i) expediting the inspection, preparation, and delivery of the disclosure packet; (ii) providing an additional hard copy of the disclosure packet; and (iii) providing third-party commercial delivery service. A property owners' association that is not professionally managed may also charge and collect fees for inspection of the property, the preparation and issuance of an association disclosure packet, and such other services as provided by professionally managed property owners' associations as long as the association provides the disclosure packet electronically if so requested by the requester and complies with the other requirements of collecting fees for disclosure packets by professionally managed property owners' associations.

(SB 722) Condominium Act and Property Owners' Association Act; access to association books and records; duty to redact. Provides that books and records kept by or on behalf of a unit owners' association or a property owners' association shall be withheld from inspection and copying in their entirety only to the extent that an exclusion from disclosure enumerated in the Condominium Act or Property Owners' Association Act, as applicable, applies to the entire content of such books and records. The bill provides that, otherwise, only those portions of the books and records containing information subject to an exclusion may be withheld, and all portions of the books and records that are not so excluded shall be disclosed at the requesting member's expense.