

Citizen Association Services Committee– report by CASC Chair Don Hinman, March 9, 2015

I. Educational Event update – CAI Conference/Expo on March 7, 2015

The Community Associations Institute (CAI), Washington Metropolitan Chapter, held its annual Conference/Expo on Sat. March 7, 2015, at the Washington Convention Center. It was full of great information for leaders and residents of HOAs and Condominium Associations. The following link summarizes the topics covered in each of the three educational sessions:

http://www.caic.org/ResourceCenter/DocViewer/221?doc_filename=attendeebroportrait.pdf&oc_id=1506603.

This link presents the vendors that were on hand at the Expo to explain their services (legal services, insurance, grounds maintenance, association management, etc.)

<http://caic.org/Page/221~648982/2015-Exhibitors>.

(Note from the CASC Chair – When my HOA board became dissatisfied with our management company several years ago, we found a new company by attending the CAI Expo).

II. Legislative Update, Virginia General Assembly –

Two bills (S.B.1008 and H.B. 1632) were reported on previously by the CASC. The CASC chair is grateful that Federation officers distributed that report by email to the Federation membership.

The information below on three additional bills (with the patron shown in parentheses) was mainly obtained by attending the “Virginia Legislative Update” at the CAI Conference/Expo. All of the bills passed both houses unanimously. They all take effect on July 1, 2015, if signed by the Governor; no vetoes are expected.

The bills amend either or both the **Property Owners’ Act (POA** -- which governs HOAs) or the **Condominium Act (CA)**.

The text and legislative history of each bill be found by typing the bill number (e.g., **hb2080**) into the dialog box at the following link:

<https://leg1.state.va.us/cgi-bin/legp504.exe?ses=151&typ=lnk&val=02>

H.B. 2100 (Peace). *CA and POA; allowable charges; rental of units.*

One purpose of H.B. 2100 was to limit the ability of associations to restrict owners’ rights to rent out their units and to charge rental-related fees. Unless explicitly authorized in association governing documents, this bill prohibits the association from charging a security deposit and limits the rental application fee to \$50.

However, the bill also expands association authority in two areas. First, owners can be required to provide tenant contact information to the association. Second, the association can require owners to provide tenants with copies of association rules and to provide the association with written evidence that the tenants acknowledge and consent to follow those rules.

Another feature of the bill is setting new rules for providing association resale disclosure documents electronically, including providing access through a link at the association website. This bill also facilitates putting a resale disclosure packet fee in escrow, so that the fee is paid to

the association out of settlement proceeds. This helps address the problem that associations are sometimes not paid for disclosure packets provided.

H.B. 2080 (Leftwich) and companion bill S.B. 1157 (Cosgrove). *POA; notice of sale under deed of trust.*

H.B. 2080 was aimed at solving the problem that banks will sometimes fail to notify HOAs that they are foreclosing properties in their communities. This bill requires that banks notify the HOA of a foreclosure sale. It brings the POA in line with the CA, which already had such a requirement. *(Note from the CASC Chair – According to those presenting at the CAI session, this bill was a small step in the right direction. They hope for future additional legislation to improve how banks deal with HOAs during foreclosures.)*

S.B. 1390 (Marsden). *CA: meetings of the unit owners' association; failure to obtain a quorum.*

S.B. 1390 addresses the problem that some Condo Associations are unable to hold an annual meeting to elect board members because they cannot achieve a quorum. If the association fails to achieve an annual meeting quorum in three successive years despite good faith efforts, then a court can be petitioned to convene a meeting with a smaller quorum requirement.

(Note from CASC Chair -- Older associations may have quorum requirements as high as 50 percent of the owners. Associations created in recent years typically have lower quorum requirements such as 25 percent. Newer associations may also have documents that give the association authority to call successive meetings within the same year (if achieving a quorum is a problem), with each successive meeting having a lower quorum requirement).