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**HOUSE BILL NO. 2428**

Offered January 10, 2001

Prefiled January 10, 2001

*A BILL to amend and reenact §§ 55-79.74:1 and 55-510 of the Code of Virginia, relating to charges for providing copies under the Condominium and Property Owners' Association Acts.*

Patrons—Suit, Almand, Drake, Stump and Williams; Senators: Mims, Whipple and Williams

Referred to Committee on General Laws

**Be it enacted by the General Assembly of Virginia:****1. That §§ 55-79.74:1 and 55-510 of the Code of Virginia are amended and reenacted as follows:**

§ 55-79.74:1. Books, minutes and records; inspection.

A. The declarant, the managing agent, the unit owners' association, or the person specified in the bylaws of the association shall keep detailed records of the receipts and expenditures affecting the operation and administration of the condominium and specifying the maintenance and repair expenses of the common elements and any other expenses incurred by or on behalf of the association. Subject to the provisions of subsections B, C and D, upon request, any unit owner shall be provided a copy of such records and minutes. All financial books and records shall be kept in accordance with generally accepted accounting practices.

B. Subject to the provisions of subsection C, all books and records kept by or on behalf of the unit owners' association, including, but not limited to, the unit owners' association membership list, addresses and aggregate salary information of unit owners' association employees, shall be available for examination and copying by a unit owner in good standing or his authorized agent so long as the request is for a proper purpose related to his membership in the unit owners' association, and not for pecuniary gain or commercial solicitation. This right of examination shall exist without reference to the duration of membership and may be exercised (i) only during reasonable business hours or at a mutually convenient time and location and (ii) upon five days' written notice reasonably identifying the purpose for the request and the specific books and records of the unit owners' association requested.

C. Books and records kept by or on behalf of a unit owners' association may be withheld from examination or copying by unit owners and contract purchasers to the extent that they are drafts not yet incorporated into the unit owners' association's books and records or if such books and records concern:

1. Personnel matters relating to specific, identified persons or a person's medical records;
2. Contracts, leases, and other commercial transactions to purchase or provide goods or services, currently in or under negotiation;
3. Pending or probable litigation. Probable litigation means those instances where there has been a specific threat of litigation from a party or the legal counsel of a party;
4. Matters involving state or local administrative or other formal proceedings before a government tribunal for enforcement of the condominium instruments or rules and regulations promulgated pursuant to § 55-513;

5. Communications with legal counsel which relates to subdivisions 1 through 4 or which is protected by the attorney-client privilege or the attorney work product doctrine;

6. Disclosure of information in violation of law;

7. Meeting minutes or other confidential records of an executive session of the executive organ held pursuant to subsection C of § 55-79.75;

8. Documentation, correspondence or management or executive organ reports compiled for or on behalf of the unit owners' association or the executive organ by its agents or committees for consideration by the executive organ in executive session; or

9. Individual unit owner or member files, other than those of the requesting unit owner, including any individual unit owner's files kept by or on behalf of the unit owners' association.

D. ~~The Prior to providing copies of any books and records, the unit owners' association may impose and collect a charge, reflecting the actual and reasonable costs of materials and labor, prior to providing copies of any books and records not to exceed the actual costs thereof.~~

§ 55-510. Access to association records; meetings of the board of directors.

A. The association shall keep detailed records of receipts and expenditures affecting the operation and administration of the association. All financial books and records shall be kept in accordance with generally accepted accounting practices.

B. Subject to the provisions of subsection C, all books and records kept by or on behalf of the association, including, but not limited to, the association's membership list and addresses, which shall

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HB2428

59 not be used for purposes of pecuniary gain or commercial solicitation, and aggregate salary information  
60 of employees of the association, shall be available for examination and copying by a member in good  
61 standing or his authorized agent so long as the request is for a proper purpose related to his membership  
62 in the association. This right of examination shall exist without reference to the duration of membership  
63 and may be exercised (i) only during reasonable business hours or at a mutually convenient time and  
64 location and (ii) upon five days' written notice reasonably identifying the purpose for the request and the  
65 specific books and records of the association requested.

66 C. Books and records kept by or on behalf of an association may be withheld from inspection and  
67 copying to the extent that they concern:

68 1. Personnel matters relating to specific, identified persons or a person's medical records;

69 2. Contracts, leases, and other commercial transactions to purchase or provide goods or services,  
70 currently in or under negotiation;

71 3. Pending or probable litigation. Probable litigation means those instances where there has been a  
72 specific threat of litigation from a party or the legal counsel of a party;

73 4. Matters involving state or local administrative or other formal proceedings before a government  
74 tribunal for enforcement of the association documents or rules and regulations promulgated pursuant to  
75 § 55-513;

76 5. Communications with legal counsel which relates to subdivisions 1 through 4 or which is  
77 protected by the attorney-client privilege or the attorney work product doctrine;

78 6. Disclosure of information in violation of law;

79 7. Meeting minutes or other confidential records of an executive session of the board of directors  
80 held in accordance with subsection C of § 55-510.1;

81 8. Documentation, correspondence or management or board reports compiled for or on behalf of the  
82 association or the board by its agents or committees for consideration by the board in executive session;  
83 or

84 9. Individual unit owner or member files, other than those of the requesting lot owner, including any  
85 individual lot owner's or member's files kept by or on behalf of the association.

86 D. ~~The~~ *Prior to providing copies of any books and records to a member in good standing under this*  
87 *section, the* association may impose and collect a charge, reflecting the ~~actual and~~ reasonable costs of  
88 materials and labor, ~~prior to providing copies of any books and records to a member in good standing~~  
89 ~~under this section not to exceed the actual costs thereof.~~

90 E. Meetings of the association shall be held in accordance with the provisions of the bylaws at least  
91 once each year after the formation of the association. The bylaws shall specify an officer who shall, at  
92 least fourteen days in advance of any annual or regularly scheduled meeting, and at least seven days in  
93 advance of any other meeting, send to each member notice of the time, place, and purposes of such  
94 meeting. Notice shall be sent by United States mail to all members at the address of their respective lots  
95 and to such other addresses as any of them may have designated to such officer; or notice may be hand  
96 delivered by the officer, provided the officer certifies in writing that notice was delivered to the  
97 member.