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SENATE BILL NO. 347

Offered January 8, 2014

Prefiled January 7, 2014

A *BILL to amend and reenact § 55-370.1 of the Code of Virginia, relating to the Virginia Real Estate Time-Share Act; contents of time-share owners' association annual report; cost.*

Patron—Cosgrove

Referred to Committee on General Laws and Technology

Be it enacted by the General Assembly of Virginia:

1. That § 55-370.1 of the Code of Virginia is amended and reenacted as follows:

§ 55-370.1. Time-share estate owners' association annual report.

A. Commencing with the time-share estate program and within 120 days after the close of each fiscal year thereafter, an annual report shall be prepared and distributed to all time-share estate owners. The annual report required hereby shall be prepared and distributed for each time-share estate project located in the Commonwealth and registered with the Board. During the developer control period, the annual report shall be prepared and distributed to all time-share purchasers estate owners by the developer or its designated managing entity and thereafter by the association. During the developer control period, the cost of preparing the annual report shall be a time-share estate occupancy expense; thereafter, the cost shall be a time-share estate program expense.

B. The annual report shall contain the following:

1. The full legal name of the time-share project and its address;

2. The full legal name of the association;

3. A list of the names and mailing addresses of the members of the association's board of directors and the name of the person who prepared the report;

4. The managing entity's name, address, and contact person, if any, for the project;

5. A statement of whether or not the developer control period has terminated for the time-share estate project;

6. Financial statements of the association audited by an independent certified public accounting firm of the association, which contain at least the following:

a. A balance sheet as of the end of the fiscal year;

b. An income statement as of the end of the fiscal year; and

c. A statement of the net changes in the financial position of the association for the fiscal year just ended;

7. During the developer control period, a statement of the maintenance fee constituting the time-share estate occupancy expenses, the regular assessment, and any special assessments or other charges due for the current year from each time-share estate owner. After the developer control period, a statement of the assessments constituting the time-share program expenses and any special assessments or other charges due for the current year from each time-share estate owner; and

8. A copy of the current budget adopted by the association's board of directors reflecting the anticipated time-share estate occupancy expenses maintenance fee and any special assessment during the developer control period and thereafter the assessment and any special assessment, along with:

a. A statement as to who prepared the budget;

b. A statement of the budgetary assumptions concerning occupancy factors;

c. A description of any provision made in the budget for reserves for repairs and replacement;

d. A statement of any other reserves;

e. The projected financial liability for each time-share estate owner, including a statement of (i) the nature of all charges, assessments, maintenance fees, and other expenses which that may be assessed, (ii) the current amounts assessed, and (iii) the method and formula for changing any such assessments; and

f. A statement of any services not reflected in the budget that the developer provides, or expenses that it pays, what it that the association expects may become a time-share occupancy expense or a time-share program expense, as the case may be, at any subsequent time, and the projected time-share program expense assessment attributable to each of those services or expenses for the association and for each time-share;

9. A statement of the location of the books and records of the association along with the name and contact address of the custodian of such books and records; and

10. The amount charged by the association to review its books and records to each new subsequent owner of a time-share acquired from an existing owner, which amount shall not exceed \$75; moreover,

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59 *a statement to the effect that if such new owner did not obtain a certificate of resale issued pursuant to*
60 *§ 55-380, the association will provide the same at an additional charge not to exceed \$100.*
61 C. In lieu of the annual report required by subsection A, during the first ~~twelve~~ 12 months of the
62 time-share program, the developer or the association shall prepare a budget ~~which~~ *that* shall contain the
63 information contained in subdivision 6 of ~~subsection B~~ 8.