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## SENATE BILL NO. 347

## AMENDMENT IN THE NATURE OF A SUBSTITUTE

(Proposed by the Senate Committee on General Laws and Technology  
on January 13, 2014)

(Patron Prior to Substitute—Senator Cosgrove)

*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.*

**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 ~~420~~ 180 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 by the developer or its designated managing entity and thereafter by the association.

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;

~~2.~~ 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 that contain at least the following:*

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

~~3.~~ b. An income statement as of the end of the fiscal year; *and*

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

5. 7. A statement of the time-share estates occupancy expenses, the regular assessment, *and* any special assessments or other charges due for the current year from each time-share estate owner; ~~and~~

~~6.~~ 8. A copy of the current budget reflecting the anticipated time-share estate occupancy expenses 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 expense at any subsequent time, and the projected time-share expense assessment attributable to each of those services or expenses for the association and for each time-share; *and*

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.*

C. In lieu of the annual report required by subsection A, during the first ~~twelve~~ 12 months of the time-share program, the developer or the association shall prepare a budget ~~which that~~ shall contain the information contained in subdivision 6 of ~~subsection~~ B 8.