

## 2020 SESSION

INTRODUCED

20100062D

### HOUSE BILL NO. 13

Offered January 8, 2020

Prefiled November 19, 2019

*A BILL to amend and reenact § 55.1-1944 of the Code of Virginia, relating to fiduciary management of condominium association funds; permissible investments.*

Patron—Ware

Referred to Committee on General Laws

#### **Be it enacted by the General Assembly of Virginia:**

**1. That § 55.1-1944 of the Code of Virginia is amended and reenacted as follows:**

#### **§ 55.1-1944. Deposit of funds.**

A. All funds deposited with a managing agent shall be handled in a fiduciary capacity and shall be (i) kept in a fiduciary trust account in a federally insured financial institution separate from other assets of the managing agent; (ii) *held in the form of securities issued, assumed, or guaranteed by the United States; or (iii) kept in a money market fund pursuant to the requirements of subsection B.* The funds shall be the property of the unit owners' association and shall be segregated for each account in the records of the managing agent in a manner that permits the funds to be identified on an individual unit owners' association basis.

B. *A managing agent may keep up to \$5,000 of funds in a money market account that invests only in (i) securities issued, assumed, or guaranteed by the United States or (ii) other financial instruments guaranteed by securities of the United States. A managing agent may keep up to \$200,000 of additional funds in such money market account, provided that he transfers such additional funds to an investment otherwise permissible pursuant to this section within five business days.*

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