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HOUSE BILL NO. 1595

Offered January 13, 1999

A BILL to amend and reenact § 55-510 of the Code of Virginia, relating to the Property Owners' Association Act; notice of meetings.

Patrons—Albo, Callahan, Devolites, Dillard, Keating, Puller, Rust and Scott; Senators: Gartlan and Mims

Referred to Committee on General Laws

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

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

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 of this section, 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 not be used for purposes of commercial solicitation, and salary information of employees of the association, shall be available for examination and copying by a member in good standing or his authorized agent. This right of examination shall exist without reference to the duration of membership and may be exercised only during reasonable business hours or at a mutually convenient time and location and upon five days' written notice.

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

1. Personnel matters or a person's medical records;
2. Communications with legal counsel or attorney work product;
3. Transactions currently in negotiation and agreements containing confidentiality requirements;
4. Pending litigation;
5. Pending matters involving formal proceedings for enforcement of the association documents or rules and regulations promulgated pursuant thereto;
6. Disclosure of information in violation of law; or
7. Meeting minutes or other records of an executive session of the board of directors held in accordance with subsection E of this section.

D. The association may impose and collect a charge, reflecting the actual costs of materials and labor, prior to providing copies of any books and records to a member in good standing under this section.

E. All meetings of the board of directors shall be open to all members of record. Minutes shall be recorded and shall be available as provided in subsection B of this section. The board of directors may convene in closed session to consider personnel matters, consult with legal counsel; discuss and consider contracts, potential or pending litigation and matters involving violations of the declaration or rules and regulations adopted pursuant thereto for which a member, his family members, tenants, guests or other invitees are responsible; or discuss and consider the personal liability of members to the association upon the affirmative vote in open meeting to assemble in closed session. The motion shall state specifically the purpose for the closed session. Reference to the motion and the stated purpose for the closed session shall be included in the minutes. The board of directors shall restrict the consideration of matters during the closed portions of meetings only to those purposes specifically exempted and stated in the motion. No contract, motion or other action adopted, passed or agreed to in closed session shall become effective unless the board of directors, following the closed session reconvenes in open meeting and takes a vote on such contract, motion or other action which shall have its substance reasonably identified in the open meeting. The requirements of this section shall not require the disclosure of information in violation of law.

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

INTRODUCED

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