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## SENATE BILL NO. 1138

Senate Amendments in [ ] — January 29, 1999

*A BILL to amend and reenact § 55-510 of the Code of Virginia and to amend the Code of Virginia by adding a section numbered 55-510.1, relating to the Property Owners' Association Act; meetings of the board of directors .*

Patrons—Mims; Delegates: Black, DeVolites, Katzen, May, McClure, O'Brien and Rust

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 and that the Code of Virginia is amended by adding a section numbered 55-510.1 as follows:**

§ 55-510. Access to association records.

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 § 55-510.1 C.

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.

§ 55-510.1. Meetings of the board of directors.

A. 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 § 55-510 B.

B. Notice including the time, date and place of each meeting of the board of directors shall be furnished to any member who requests such information. Requests by a member to be notified on a continual basis shall be made at least once a year in writing and include the member's name, address,

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60 and zip code. Notice, reasonable under the circumstances, of special or emergency meetings shall be  
61 given contemporaneously with the notice provided members of the association's board of directors  
62 conducting the meeting.

63 Unless otherwise exempt [ as relating to a closed session pursuant to subsection C ] , at least one  
64 copy of all agenda packets and materials furnished to members of an association's board of directors  
65 for a meeting shall be made available for inspection by the membership of the association at the same  
66 time such documents are furnished to the members of the board of directors.

67 Any member may [ ~~photograph, film, record or otherwise reproduce~~ make an audio recording of ]  
68 any portion of a meeting required to be open. The board of directors conducting the meeting may adopt  
69 rules governing the placement and use of equipment necessary for [ ~~broadcasting, photographing,~~  
70 ~~filming or~~ ] recording a meeting to prevent interference with the proceedings.

71 Voting by secret or written ballot in an open meeting shall be a violation of this chapter [ except for  
72 the election of officers ].

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

86 [ ~~D. It is a violation of this chapter for any board of directors to conduct a meeting in which the~~  
87 ~~association's business is discussed or transacted through telephonic, video, electronic or other~~  
88 ~~communication means and for which the members are not physically assembled.~~ ]