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SENATE BILL NO. 237**AMENDMENT IN THE NATURE OF A SUBSTITUTE**

(Proposed by the Senate Committee for Courts of Justice
on February 3, 2016)

(Patron Prior to Substitute—Senator Petersen)

A BILL to amend and reenact § 55-516.2 of the Code of Virginia, relating to the Virginia Property Owners' Association Act; condemnation of common area; valuation.

Be it enacted by the General Assembly of Virginia:**1. That § 55-516.2 of the Code of Virginia is amended and reenacted as follows:****§ 55-516.2. Condemnation of common area; procedure.**

When any portion of the common area is taken or damaged under the power of eminent domain, any award or payment therefor shall be paid to the association, which shall be a party in interest in the condemnation proceeding. *The common area that is affected shall be valued on the basis of the common area's highest and best use as though it were free from restriction to sole use as a common area.*

Except to the extent the declaration or any rules and regulations duly adopted pursuant thereto otherwise provide, the board of directors shall have the authority to negotiate with the condemning authority, agree to an award or payment amount with the condemning authority without instituting condemnation proceedings and, upon such agreement, convey the subject common area to the condemning authority. Thereafter, the president of the association may unilaterally execute and record the deed of conveyance to the condemning authority.

A member of the association, by virtue of his membership, shall be estopped from contesting the action of the association in any proceeding held pursuant to this section.