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SENATE BILL NO. 328

AMENDMENT IN THE NATURE OF A SUBSTITUTE

(Proposed by the Senate Committee on General Laws and Technology
on January 29, 2018)

(Patron Prior to Substitute—Senator Dunnavant)

A *BILL to amend and reenact §§ 54.1-2350 and 55-509.1 of the Code of Virginia, relating to the Common Interest Community Board; disclosure packets; registration of associations.*

Be it enacted by the General Assembly of Virginia:

1. That §§ 54.1-2350 and 55-509.1 of the Code of Virginia are amended and reenacted as follows:

§ 54.1-2350. Annual report and disclosure packets.

In addition to the provisions of § 54.1-2349, the Board shall:

1. Administer the provisions of Chapter 29 (§ 55-528 et seq.) of Title 55;

2. Develop and disseminate an association annual report form for use in accordance with §§ 55-79.93:1, 55-504.1, and 55-516.1; and

3. Develop and disseminate a one-page form to accompany association disclosure packets required pursuant to § 55-509.5, which form shall summarize the unique characteristics of property owners' associations generally and shall make known to prospective purchasers the unusual and material circumstances affecting a lot owner in a property owners' association, including (i) the obligation of a lot owner to pay regular annual or special assessments to the association, (ii) the penalty for failure or refusal to pay such assessments, (iii) the purposes for which such assessments may be used, (iv) the importance the declaration of restrictive covenants and other governing documents play in association living, (v) *the period or length of declarant control*, and ~~(v)~~ (vi) that the purchase contract for a lot within an association is a legally binding document once it is signed by the prospective purchaser where the purchaser has not elected to cancel the purchase contract in accordance with law.

§ 55-509.1. Developer to register and file annual report; payment of real estate taxes attributable to the common area upon transfer to association.

A. *Unless control of the association has been transferred to the members, the developer shall register the association with the Common Interest Community Board within 30 days after recordation of the declaration and thereafter shall ensure that the report required pursuant to § 55-516.1 has been filed.*

B. Upon the transfer of the common area to the association, the developer shall pay all real estate taxes attributable to the open or common space as defined in § 58.1-3284.1 through the date of the transfer to the association.

2. That the provisions of this act amending § 55-509.1 of the Code of Virginia shall become effective on July 1, 2019.