

1 VIRGINIA ACTS OF ASSEMBLY — CHAPTER

2 *An Act to direct the Department of Professional and Occupational Regulation to establish a work group*
3 *to study the adequacy of current laws addressing standards for structural integrity and for*
4 *maintaining reserves to repair, replace, or restore capital components in common interest*
5 *communities; report.*

6 [S 740]

7 Approved

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

9 1. § 1. A. *The Department of Professional and Occupational Regulation shall establish a work group to*
10 *study the adequacy of current laws addressing standards for structural integrity and for maintaining*
11 *reserves to repair, replace, or restore capital components in common interest communities. In*
12 *conducting such study, the work group shall consider the following: (i) the development of common*
13 *interest communities, including initial budget reserve funding, the filing of "as built" plans and*
14 *specifications with the locality and delivery of such plans to the association of such common interest*
15 *community, along with other transition documents, and increasing requirements for the issuance of*
16 *certificates of occupancy; (ii) governing documents; (iii) reserve study requirements, including*
17 *requirements for the frequency of such studies, the qualification of persons conducting such studies, and*
18 *disclosure of such studies to purchasers and existing owners; (iv) budget requirements; (v) the authority*
19 *of association boards to budget for reserves, expend funds for reserve projects, make special or*
20 *additional assessments, and borrow funds to pay for projects; (vi) liability of associations and executive*
21 *boards; (vii) inspections, including the authority of local governments to require inspections, funding for*
22 *inspections, the scope, nature, and schedule of inspections, and qualifications of building inspectors;*
23 *(viii) insurance coverage, including the scope of coverage, availability of products, adequacy or need*
24 *for new or alternate products, feasibility of insurance inspections, and cost; (ix) education of association*
25 *board members and owners; (x) judicial remedies, including an option to petition a court to authorize*
26 *an assessment or alternative funding; and (xi) common interest community association management,*
27 *including manager qualifications and self-management versus professional management.*

28 B. *The work group shall be composed of representatives of (i) the Common Interest Community*
29 *Board, (ii) local governments, (iii) local and state building officials, (iv) common interest community*
30 *property owners, (v) developers and builders, (vi) common interest community managers, (vii)*
31 *community association attorneys, (viii) reserve specialists, (ix) professional engineers, (x) auditors, (xi)*
32 *representatives of financial institutions, (xii) insurance professionals, (xiii) attorneys with experience*
33 *representing individuals with property or personal injury claims; (xiv) the Office of the Common Interest*
34 *Community Ombudsman; and (xv) volunteer community leaders.*

35 C. *The Department of Professional and Occupational Regulation shall report the work group's*
36 *findings and provide recommendations, including any legislative recommendations, to the Chairs of the*
37 *House Committee on General Laws and the Senate Committee on General Laws and Technology no*
38 *later than April 1, 2023.*