

SENATE BILL NO. 1042

AMENDMENT IN THE NATURE OF A SUBSTITUTE

(Proposed by the Senate Committee on General Laws and Technology

on _____)

(Patron Prior to Substitute--Senator McPike)

A BILL to amend and reenact §§ 54.1-2354.3 and 54.1-2354.4 of the Code of Virginia, relating to the Common Interest Community Board; enforcement power over continuing violations of common interest community associations.

Be it enacted by the General Assembly of Virginia:

1. That §§ 54.1-2354.3 and 54.1-2354.4 of the Code of Virginia are amended and reenacted as follows:

§ 54.1-2354.3. Common Interest Community Ombudsman; appointment; powers and duties.

A. The Director in accordance with § 54.1-303 shall appoint a Common Interest Community Ombudsman (the Ombudsman) and shall establish the Office of the Common Interest Community Ombudsman (the Office). The Ombudsman shall be a member in good standing in the Virginia State Bar. All state agencies shall assist and cooperate with the Office in the performance of its duties under this article.

B. The Office shall:

1. Assist members in understanding rights and the processes available to them according to the laws and regulations governing common interest communities and respond to general inquiries;

2. Make available, either separately or through an existing website, information concerning common interest communities and such additional information as may be deemed appropriate;

3. Receive notices of final adverse decisions and may either (i) refer such decision to the Board for further review of whether such decision is in conflict with laws or regulations governing common interest communities or interpretations thereof by the Board or (ii) make a determination of whether a final adverse decision is in conflict with laws or regulations governing common interest communities or

27 interpretations thereof by the Board and promptly notify the complainant of such determination. If the
28 Office determines that such conflict exists, the Office shall promptly notify the governing board, and if
29 applicable the common interest community manager, of the association that issued the final adverse
30 decision that such decision is in conflict with laws or regulations governing common interest communities
31 or interpretations thereof by the Board. If within 365 days of issuing such determination the Ombudsman
32 receives a subsequent notice of final adverse action for the same violation, the Office shall immediately
33 refer the matter to the Board;

34 4. Upon request, assist members in understanding the rights and processes available under the laws
35 and regulations governing common interest communities and provide referrals to public and private
36 agencies offering alternative dispute resolution services, with a goal of reducing and resolving conflicts
37 among associations and their members;

38 5. Ensure that members have access to the services provided through the Office and that the
39 members receive timely responses from the representatives of the Office to the inquiries;

40 6. Maintain data on inquiries received, referrals made to the Board, types of assistance requested,
41 notices of final adverse decisions received, actions taken, and the disposition of each such matter;

42 7. Upon request to the ~~Director~~ Ombudsman by (i) any of the standing committees of the General
43 Assembly having jurisdiction over common interest communities or (ii) the Housing Commission, provide
44 to the Director for dissemination to the requesting parties assessments of proposed and existing common
45 interest community laws and other studies of common interest community issues;

46 8. Monitor changes in federal and state laws relating to common interest communities;

47 9. ~~Provide information to the Director that will permit the Director to report~~ Report annually on
48 the activities of the Office of the Common Interest Community Ombudsman to the standing committees
49 of the General Assembly having jurisdiction over common interest communities and to the Housing
50 Commission. The ~~Director's~~ Ombudsman's report shall be filed by December 1 of each year and shall
51 include a summary of significant new developments in federal and state laws relating to common interest
52 communities each year; and

53 10. Carry out activities as the Board determines to be appropriate.

54 **§ 54.1-2354.4. Association complaint procedures; final adverse decisions.**

55 A. The Board shall establish by regulation a requirement that each association shall establish
56 reasonable procedures for the resolution of written complaints from the members of the association and
57 other citizens. Each association shall adhere to the written procedures established pursuant to this
58 subsection when resolving association member and citizen complaints. The procedures shall include the
59 following:

60 1. A record of each complaint shall be maintained for no less than one year after the association
61 acts upon the complaint.

62 2. Such association shall provide complaint forms or written procedures to be given to persons
63 who wish to register written complaints. The forms or procedures shall include the address and telephone
64 number of the association or its common interest community manager to which complaints shall be
65 directed and the mailing address, telephone number, and electronic mailing address of the Office. The
66 forms and written procedures shall include a clear and understandable description of the complainant's
67 right to give notice of adverse decisions pursuant to this section.

68 B. A complainant may give notice to the ~~Board~~ Ombudsman of any final adverse decision in
69 accordance with regulations promulgated by the Board. The notice shall be filed within 30 days of the
70 final adverse decision, shall be in writing on forms prescribed by the Board, shall include copies of all
71 records pertinent to the decision, and shall be accompanied by a \$25 filing fee. The fee shall be collected
72 by the Director and paid directly into the state treasury and credited to the Common Interest Community
73 Management Information Fund pursuant to § 54.1-2354.2. The Board may, for good cause shown, waive
74 or refund the filing fee upon a finding that payment of the filing fee will cause undue financial hardship
75 for the member. The ~~Director~~ Ombudsman shall provide a copy of the written notice to the governing
76 board, and if applicable the common interest community manager, of the association that made the final
77 adverse decision.

78 C. The ~~Director or his designee~~ Ombudsman may request additional information concerning any
79 notice of final adverse decision from the association that made the final adverse decision. The association
80 shall provide such information to the ~~Director~~ Ombudsman within a reasonable time upon request. If the

81 ~~Director~~ Ombudsman upon review determines that the final adverse decision may be in conflict with laws
82 or regulations governing common interest communities or interpretations thereof by the Board, the
83 ~~Director may, in his sole discretion,~~ Ombudsman shall provide the complainant and the governing board,
84 and if applicable the common interest community manager, of the association with information concerning
85 such laws or regulations governing common interest communities or interpretations thereof by the Board.
86 The determination of whether the final adverse decision may be in conflict with laws or regulations
87 governing common interest communities or interpretations thereof by the Board shall be ~~a matter within~~
88 ~~the sole discretion of the Director, whose decision is~~ final and not subject to further review. ~~The~~
89 ~~determination of the Director shall not be binding upon the complainant or the association that made the~~
90 ~~final adverse decision~~ If within 365 days of issuing a determination that an adverse decision is in conflict
91 with laws or regulations governing common interest communities or interpretations thereof by the Board
92 the Ombudsman receives a subsequent notice of final adverse action for the same violation, the
93 Ombudsman shall refer the repeat violation to the Board, which shall take action in accordance with §
94 54.1-2351 or 54.1-2352, as deemed appropriate by the Board.

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