

COMMONWEALTH OF VIRGINIA

DELEGATE TERRIE L. SUIT, CHAIR

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VIRGINIA HOUSING COMMISSION

Common Interest Communities Work Group

June 5, 2007, 1:00 PM

House Room 1, State Capitol

Meeting Summary

Members Present:

I. Welcome and call to order

- Delegate Suit called the meeting to order at 1:45 P.M.

II. Virginia Real Estate Time-Share Act (HB 1771, 2007)

- Delegate Cosgrove introduced Frank Eck of Eck and Collins and Virginia Resort Development Association
- Resale is proving to be a problem due to the youth of the industry.
- However, multiple listing services used to be done by small services, and now big corporations are taking over and making it more accessible to the public.
- There is a resale movement, but it is not moving at the pace people would like. People are struggling to get rid of their time shares.
- Another problem is maintenance fees, which can approach \$1,000 a year.

III. Department of Professional Regulation (DPOR)

A. Director Jay DeBoer

- Please see posted document addressing protection for association funds, community association regulation in other states, real estate receivership and recovery fund, and HJR 686 (2005) real estate board study.

B. Protection for Association Funds: **HB 2016** amends the Condominium Act and the Property Owners' Association Act to give additional protection for Association funds.

C. Community Association Regulation in Other States: In 2005, during the Real Estate Board Study, there were no other state licensed Associations or professional managers. The Association of Real Estate License Law Officials is surveying states to see if jurisdictions license Associations and/or community management companies.

D. Real Estate Receivership and Recovery Fund: The Real Estate Board is considering petitioning the court for appointment of receiver when a licensee holds escrow or other funds and the Board believes the licensee is unable to protect the interest of people involved.

E. HJR 686: Real Estate Board Study: Reviewed management contract provisions. This review indicated most management company employees who handle Association

DELEGATE JOHN A. COSGROVE
DELEGATE ROBERT D. HULL
DELEGATE DANIEL W. MARSHALL, III
DELEGATE TERRIE L. SUIT

SENATOR MAMIE E. LOCKE
SENATOR JOHN C. WATKINS
SENATOR MARY MARGARET WHIPPLE

F. GARY GARCZYNSKI
F. ANDREW HEATWOLE
T. K. SOMANATH

monies are required to be insured; monies must be deposited into an account in the name of the Association; management companies keep records of all income and expenses, and provide a monthly summary to the Association; and investments are made at the direction of the Association.

- F. Certain members of the Commission felt the management system is not properly qualified. It was discussed that there is a lack of education, and that management standards of practice need to be looked at to impose different regulations. There is also no enforcement mechanism. A possible aide would be to look at professional management certification or maybe receivership. DPOR, however, cannot be that enforcing agent.

IV. Public Comment

- There is none.

V. Adjourn

- The meeting was adjourned at 2:40 P.M.