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February 18, 2020

Writer's Direct Dial No.

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To: The Honorable Kumar Barve
Chair, Environment and Transportation Committee

From: Karen S. Straughn
Consumer Protection Division

Re: House Bill 556 – Condominiums and Homeowners Associations – Amendment of
Governing Documents (SUPPORT)

The Consumer Protection Division of the Office of the Attorney General submits the following written testimony in support of House Bill 556 submitted by Delegates Bonnie Cullison and Sid Saab, which reduces the percentage of votes needed to amend the bylaws of a common ownership community to 60% of the unit owners in good standing unless a lower percentage is stated in the bylaws. A unit owner is defined as being in good standing if he or she is not more than 90 days in arrears in the payment of any assessment or charge due to the condominium.

The 60% requirement was passed in 2017, but the current bill is needed to clarify that requirement. Historically, the bylaws of a condominium or homeowner's association could not be amended without at least a two-thirds vote of the association. Since the declarations and bylaws are generally written by the developer, there are often provisions within these documents which are written in the interest of the developer, but are not in the best interest of the association members once the transfer of control has taken place. Despite this, due to member apathy as well as members who are unable to vote as a result of being behind in their payments, the two thirds percentage has proven to be very difficult for most associations to obtain, resulting in an inability to amend the bylaws in many cases. By reducing the required percentage to 60%, it increases the chance that an association will be able to amend the bylaws in accordance with the desired goals and needs of the community, while still ensuring that the result will be in accordance with the majority desires. The amendment this bill makes is to clarify that the 60% applies to those in good standing, rather than to all unit owners. This has always been the intent of the law and this clarification will ensure understanding of this fact.

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For these reasons, the Consumer Protection Division urges the Environment and Transportation Committee to give House Bill 556 a favorable report.

cc: The Honorable Bonnie Cullison
The Honorable Sid Saab
Members, Environment and Transportation Committee