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February 14, 2023

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

From: Karen S. Straughn
Consumer Protection Division

Re: House Bill 331 – Real Property – Cooperative Housing Corporations, Condominiums, and Homeowner Associations–Virtual Meetings (SUPPORT WITH AMENDMENTS)

The Consumer Protection Division of the Office of the Attorney General submits the following written testimony in support with amendments of House Bill 331 submitted by Delegates Terrasa, Fair and Hill. This bill is intended to clarify that, when virtual meetings are held by a common ownership community association, participants should be given reasonable access to verbally participate in the meeting and equal access to participate via the chat function. The bill further gives the ability to the person conducting the meeting to mute a participant after a warning if that individual becomes disruptive. In addition, the bill deems any meeting of the board of directors held by electronic transmission to be a closed meeting. The Consumer Protection Division recommends an amendment to make a virtual board of directors meeting a closed meeting only if the meeting is not made available to all community members to attend if they wish.

Throughout the pandemic, the Consumer Protection Division received many calls and concerns from boards of directors, property managers and attorneys concerning the process for conducting a virtual meeting and seeking guidance. Generally, associations have advised the Division that virtual meetings have been helpful, and many associations have reportedly been able to increase attendance at meetings by conducting them virtually.

However, the Division has also received calls and concerns from residents that some associations have muted all participants throughout the meeting and/or disabled the chat function for participants other than the members of the board. The Division has even been made aware of meetings in which the organizer has randomly removed members from the meeting after the meeting began. This bill would seek to protect the rights of

members to attend a virtual meeting conducted in a manner comparable to that of an in-person meeting. This bill further promotes reasonable participation by members while providing safeguards in the event the meeting becomes monopolized by a disruptive member. For these reasons we support these provisions of the bill.

The bill further provides that a board of directors' meeting held electronically is deemed to be a closed meeting. This Division has received calls and concerns from members of associations that continue to have concerns about the ability to attend meetings in person. For this reason, we believe that a board of directors should be permitted to hold board meetings electronically as long as the community is given notice and the opportunity to attend virtually as well.

For these reasons, we ask that the Environment and Transportation Committee return a favorable report on this bill with the amendments discussed.

cc: The Honorable Jen Terrasa
The Honorable Kris Fair
The Honorable Terri L. Hill
Members, Environment and Transportation Committee