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February 9, 2021

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

From: Karen S. Straughn Consumer Protection Division

Re: House Bill 593 – Condominiums and Homeowners Associations – Meeting Requirements (SUPPORT

The Consumer Protection Division of the Office of the Attorney General submits the following written testimony in support of House Bill 593 submitted by Delegate David Fraser-Hidalgo. The bill provides the requirements for a subsequent meeting of a condominium or homeowners association when a quorum is not met at the initial meeting that would enable the meeting to go forward. Specifically, the bill requires that the subsequent meeting be held within 15 days of the initial meeting and provides a notice requirement of 10 days.

Under current law, condominium associations are required to meet quorum requirements before a meeting can be held. A quorum is a declared percentage of the unit owners who must be present, in person or by proxy, in order for the meeting to go forward. If a quorum is not met, a majority of the unit owners present may vote to call an additional meeting at which the unit owners present in person or by proxy will be deemed to be a quorum even if they do not meet the required percentage. Although the Homeowners Association Act does not contain the same provisions, most homeowners associations are held to the same standards through their governing documents.

This bill seeks to clarify that the subsequent meeting must be held within a limited period of time, and that notice must also be sent within a limited period of time in order to be valid. The Consumer Protection Division has seen and heard of associations that call subsequent meetings several months after the initial meeting, which is contrary to the intent to the statute to ensure that association business is timely conducted. In addition, the Consumer Protection Division has seen and heard of associations that call subsequent meetings that call subsequent meetings immediately following the initial meeting, which is also contrary to the intent of the statute because it fails to provide association members with adequate notice of the meeting.

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

cc: The Honorable David Fraser-Hidalgo Members, Environment and Transportation Committee

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