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February 18, 2021

To: The Honorable William C. Smith, Jr. Chair, Judicial Proceedings Committee

From: Karen S. Straughn

**Consumer Protection Division** 

Re: Senate Bill 535 – 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 Senate Bill 535 submitted by Senator Nancy J. King. The bill provides the requirements for a subsequent meeting when a quorum is not met at the initial meeting to 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. In addition, the Consumer Protection Division has seen and heard of associations that call subsequent

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meetings immediately following the initial meeting, which is also contrary to the intent of the statute.

For these reasons, we ask that the Judicial Proceedings Committee return a favorable report on this bill.

cc: The Honorable Nancy J. King Members, Judicial Proceedings Committee