

**DEPARTMENT OF PROFESSIONAL AND OCCUPATIONAL REGULATION
PERIMETER CENTER
9960 MAYLAND DRIVE
RICHMOND, VIRGINIA 23233**

**COMMON INTEREST COMMUNITY BOARD
Tentative AGENDA**

**THURSDAY, DECEMBER 14, 2023 10:00 A.M.
2nd FLOOR, BOARD ROOM 3**

I. CALL TO ORDER

II. EMERGENCY EVACUATION PROCEDURES

III. APPROVAL OF AGENDA

- a. Board Agenda, December 14, 2023

IV. APPROVAL OF MINUTES

- a. Board Meeting, September 21, 2023
- b. CIC Manager Regulatory Review Committee Meeting, November 2, 2023

V. INTRODUCTION OF NEW BOARD MEMBERS

VI. DPOR STAFF UPDATES

VII. PUBLIC COMMENT PERIOD*

VIII. REVIEW FILES AND DISCIPLINARY MATTERS

- a. File Number 2022-02691, Atlantic Community Management Corporation
Disciplinary—IFF by Tunstall
- b. File Number 2023-02591, Fan Gallery Condominiums
Disciplinary—IFF by Tunstall
- c. File Number 2023-02595, Alexandria Flats Condominium
Disciplinary—IFF by Tunstall
- d. File Number 2023-02714, Rosewood Management & Consulting LLC
Prima Facie
- e. File Number 2023-02715, Rose K. Bailey
Prima Facie

IX. BOARD BUSINESS

- a. Update on Regulatory Actions
- b. Consider Adoption of Proposed Draft Amendments to CIC Ombudsman Regulations
- c. Consider Adoption of Proposed Draft Amendments to CIC Manager Regulations
 - i. Consider CIC Manager Regulatory Review Committee Recommendations for Legislative Amendments
- d. Closed Meeting for the Purpose of Consultation with Legal Counsel and Staff Regarding Specific Legal Matters Pursuant to §2.2-3711.A.7 of the Code of Virginia

X. OTHER BUSINESS

- a. Consider Request for Waiver of NFAD Filing Fee
- b. Ombudsman Report
- c. Board Financial Statements
- d. Consider Resolutions for Service
- e. Election of Officers
- f. Other Board Business
 - i. Review of 2024 Legislative Items

XI. COMPLETE CONFLICT OF INTEREST FORMS AND TRAVEL VOUCHERS

XII. ADJOURN

NEXT MEETING SCHEDULED FOR MARCH 28, 2024 at 10:00 A.M.

* Five minute public comment, per person, with the exception of any open disciplinary or application files.

** Agenda materials made available to the public do not include disciplinary case files or application files pursuant to §54.1-108 of the *Code of Virginia*.

Persons desiring to participate in the meeting and requiring special accommodations or interpretative services should contact the Department at (804) 367-8510 at least ten days prior to the meeting so that suitable arrangements can be made for an appropriate accommodation. The Department fully complies with the Americans with Disabilities Act.

DRAFT AGENDA
Materials contained in this agenda are proposed topics for discussion
and are not to be construed as regulation or official Board position.
DRAFT AGENDA

PERIMETER CENTER CONFERENCE CENTER
EMERGENCY EVACUATION OF BOARD AND TRAINING ROOMS
(Script to be read at the beginning of each meeting.)

PLEASE LISTEN TO THE FOLLOWING INSTRUCTIONS ABOUT EXITING THE PREMISES IN THE EVENT OF AN EMERGENCY.

In the event of a fire or other emergency requiring the evacuation of the building, alarms will sound. When the alarms sound, leave the room immediately. Follow any instructions given by Security staff

Board Room 1

Exit the room using one of the doors at the back of the room. Upon exiting the room, turn **RIGHT**. Follow the corridor to the emergency exit at the end of the hall.

Upon exiting the building, proceed straight ahead through the parking lot to the fence at the end of the lot. Wait there for further instructions.

Board Room 2

Exit the room using one of the doors at the back of the room. (Point) Upon exiting the room, turn **RIGHT**. Follow the corridor to the emergency exit at the end of the hall.

Upon exiting the building, proceed straight ahead through the parking lot to the fence at the end of the lot. Wait there for further instructions.

You may also exit the room using the side door, turn **Right** out the door and make an immediate **Left**. Follow the corridor to the emergency exit at the end of the hall.

Upon exiting the building, proceed straight ahead through the parking lot to the fence at the end of the lot. Wait there for further instructions.

Board Rooms 3 and 4

Exit the room using one of the doors at the back of the room. Upon exiting the room, turn **RIGHT**. Follow the corridor to the emergency exit at the end of the hall.

Upon exiting the building, proceed straight ahead through the parking lot to the fence at the end of the lot. Wait there for further instructions.

Training Room 1

Exit the room using one of the doors at the back of the room. Upon exiting the room, turn **LEFT**. Follow the corridor to the emergency exit at the end of the hall.

Upon exiting the building, proceed straight ahead through the parking lot to the fence at the end of the lot. Wait there for further instructions.

Training Room 2

Exit the room using one of the doors at the back of the room. Upon exiting the doors, turn **LEFT**. Follow the corridor to the emergency exit at the end of the hall.

Upon exiting the building, proceed straight ahead through the parking lot to the fence at the end of the lot. Wait there for further instructions.

COMMON INTEREST COMMUNITY BOARD

MINUTES OF MEETING

The Common Interest Community Board (Board) met on September 21, 2023, at the Perimeter Center, 9960 Mayland Dr., Richmond, VA 23233, in Board Room 2.

The following members were present:

Catherine Noonan
David S. Mercer, Vice-Chair
Lori Overholt
Anne Sheehan
Scott Sterling
Tracey Talbert
Margaret Tunstall

Board members Maureen Baker, Matt Durham, Thomas Mazzei, and Katherine Waddell were not in attendance at the meeting.

DPOR staff present for all or part of the meeting included:

Demetrios J. Melis, Director
Kishore Thota, Chief Deputy Director
Tanya Pettus, Board Administrator
Joseph C. Haughwout, Jr., Regulatory Affairs Manager
Amy Goobic, Executive Assistant

Josh Laws, Assistant Attorney General with the Office of the Attorney General, was present.

Finding a quorum of the Board present, Mr. Mercer called the meeting to order at 10:03 a.m. **Call to Order**

Mr. Mercer requested that Board members and staff introduce themselves. Ms. Noonan and Ms. Talbert were welcomed as newly appointed Board members. **Introductions**

Ms. Pettus advised the Board of the emergency evacuation procedures. **Emergency Evacuation Procedures**

Mr. Mercer requested agenda item IX. d., Consider Authorizing NOIRA for CIC Association Registration Regulations General Review, be moved to the end of the agenda. **Approval of Agenda**

Ms. Noonan moved to amend the agenda. Ms. Talbert seconded the motion which was unanimously approved by: Noonan, Mercer, Overholt, Sheehan, Sterling, Talbert, and Tunstall.

Ms. Sheehan moved to approve the agenda as amended. Ms. Tunstall seconded the motion which was unanimously approved by: Noonan, Mercer, Overholt, Sheehan, Sterling, Talbert, and Tunstall.

Ms. Sheehan moved to approve the minutes from the June 2, 2023, Ombudsman Regulatory Review Committee meeting; and the June 8, 2023, Board meeting. Ms. Noonan seconded the motion which was unanimously approved by: Noonan, Mercer, Overholt, Sheehan, Sterling, Talbert, and Tunstall.

Approval of Minutes

Ms. Pettus advised the Board that former CIC Board Administrator Joesph Haughwout is now the Regulatory Affairs Manager for the agency, and that Lee Bryant is now serving as Regulatory Operations and Board Administrator but was unable to attend the meeting.

DPOR Staff Updates

Ms. Pettus also advised that as the Executive Director position is currently vacant, she has taken on a portion of the responsibilities of that office.

No members of the public were present to address the Board on topics other than case files to be presented.

Public Comment Period

Ms. Overholt recused herself from the meeting for discussion and deliberation of File Number 2021-02487.

Recusal of Board Member

Paul Schmidt, attorney for Atlantic Community Management Corporation, was present and addressed the Board. Mr. Schmidt took exception to the Board's jurisdiction over his client but thanked the Presiding Officer for a fair and well thought out recommendation.

File Number 2021-02487, Atlantic Community Management Corporation

In the matter of **File Number 2021-02484, Atlantic Community Management Corporation**, the Board members reviewed the record which consisted of the investigative file, the transcript, and exhibits from the Informal Fact-Finding Conference, and the Summary of the Informal Fact-Finding Conference as well as the Presiding Officer's recommendation.

Ms. Sheehan moved to accept the Presiding Officer's recommendation and find Atlantic Community Management Corporation in violation of the following Board regulations: 18 VAC 48-50-190.19 as provided in Count 1, 18 VAC 48-50-190.17 as provided in Count 2, 18 VAC 48-50-

190.12 as provided in Count 3, and 18 VAC 48-50-190.10 as provided in Count 4. Mr. Sterling seconded the motion which was unanimously approved by: Noonan, Mercer, Sheehan, Sterling, Talbert, and Tunstall.

Ms. Noonan then moved to accept the sanctions as recommended and impose the following: a monetary penalty of \$500.00 for the violation as provided in Count 1, a monetary penalty of \$1,000.00 for the violation as provided in Count 2; no sanction for the violation as provided in Count 3, and monetary penalty \$500.00 for the violation contained in Count 4, for a total monetary penalty of \$2,000.00. Ms. Tunstall seconded the motion which was approved by members: Noonan, Mercer, Sheehan, Sterling, Talbert, and Tunstall.

Ms. Overholt returned to the meeting

**Return of Board
Member**

In the matter of **File Number 2023-01113, Property Management Associates LLC, dba PMA**, the Board members reviewed the record which consisted of the investigative file, the transcript, and exhibits from the Informal Fact-Finding Conference, and the Summary of the Informal Fact-Finding Conference as well as the Presiding Officer's recommendation.

**File Number 2023-
01113, Property
Management
Associates LLC, dba
PMA**

Ms. Talbert moved to accept the Presiding Officer's recommendation and find Property Management Associates LLC, dba PMA in no violation of the Board's regulations as provided in Count 1, and in violation of 18 VAC 48-50-220.D as provided in Count 2. Ms. Sheehan seconded the motion which was unanimously approved by: Noonan, Mercer, Overholt, Sheehan, Sterling, Talbert, and Tunstall.

Ms. Noonan then moved to accept the sanctions as recommended and impose a monetary penalty of \$400.00 for the violation as provided in Count 2. In addition, for the violation of Count 2, Property Management Associates LLC, dba PMA will be placed on probation for a period of one year. If at any time during the probationary period the Board finds that Property Management Associates LLC, dba PMA has violated the Board's regulations regarding responses to inquiries by the Board or its agents and/or provision of records to the Board or its agents, the Board shall revoke Property Management Associates LLC, dba PMA's license. Ms. Sheehan seconded the motion which was approved by members: Noonan, Mercer, Sheehan, Sterling, Talbert, and Tunstall.

Mr. Mercer recused himself from the meeting for discussion and deliberation of File Number 2023-00417.

Recusal of Board Member

Ms. Sheehan assumed Chair of the Board.

In the matter of File Number **2023-00417, Purple Sage Cluster Inc.**, the Board members reviewed the Consent Order. Purple Sage Cluster Inc. admits to a violation of 18 VAC 48-70-50.4 as outlined in Count 1, and consents to the imposition of a monetary penalty of \$450.00 for violation of Count 1, and Board costs of \$150.00. Ms. Talbert moved to approve the terms of the Consent Order as presented. Ms. Tunstall seconded the motion which was unanimously approved by: Noonan, Overholt, Sheehan, Sterling, Talbert, and Tunstall.

File Number 2023-00417, Purple Sage Cluster Inc.

Mr. Mercer returned to the meeting and resumed as Chair of the Board.

Return of Board Member

In the matter of File Number **2023-00259, Jeffrey O-Brien Bloxsom**, the Board members reviewed the Consent Order. Jeffrey O-Brien Bloxsom admits to a violation of 18 VAC 48-70-190.1 as outlined in Count 1, and consents to the imposition of a monetary penalty of \$1,500.00 for violation of Count 1, and Board costs of \$150.00. In addition, the Board shall waive imposition of the \$1,500.00 monetary penalty provided Bloxsom provides to the Board, in a form acceptable to the Board, evidence of completion of the following courses:

File Number 2023-00259, Jeffrey O'Brien Bloxsom

1. M-100: The Essentials of Community Management;
2. M-204: Community Governance;
3. M-205: Risk Management; and
4. M-206: Financial Management.

Proof of completion must be provided within thirty (30) days of the effective date of the Order. If Bloxsom fails to comply with these conditions, the full monetary penalty will be automatically imposed.

Ms. Noonan moved to approve the terms of the Consent Order as presented. Ms. Talbert seconded the motion which was unanimously approved by: Mercer, Noonan, Overholt, Sheehan, Sterling, Talbert, and Tunstall.

In the matter of **File Number 2023-02755, CJB Management LLC**, the Board members reviewed the record which consisted of the application file, transcript and exhibits from the Informal Fact-Finding Conference, and the Presiding Officer's Summary and Recommendation. Ms. Overholt moved to accept the recommendation of the Presiding Officer and approve CJB Management LLC's application for a Common Interest Community Manager license. Ms. Tunstall seconded the motion which was unanimously approved by: Mercer, Noonan, Overholt, Sheehan, Sterling, Talbert, and Tunstall.

File Number 2023-02755, CJB Management LLC

Mr. Haughwout provided an update on regulatory action.

Update on Regulatory Actions

Draft proposed amendments to the CIC Manager Regulations were submitted for Executive Branch review March 14, 2022, and is currently under Executive Branch review at the Governor's office. At the request of the Governor's office, the Board voted on June 6, 2023, to reconvene the regulatory review committee to revisit proposed amendments.

The Notice of Intended Regulatory Action (NOIRA) for the general review of the CIC Ombudsman Regulations will be published in the Virginia Register on September 25, 2023. A 30-day public comment period will begin on September 25, 2023, and end October 25, 2023. The Board will review public comments and consider proposed draft amendments to the regulations at its December 14, 2023, meeting.

The Board authorized the filing of a NOIRA and a formation of a committee for the general review of the f CIC Condominium Registration Regulations on June 8, 2023. The NOIRA is currently in development and a regulatory review committee is being formed.

The exempt action for the regulatory amendment of the CIC Ombudsman Regulations pursuant to House Bill 1627 and Senate Bill 1042 were filed on September 15, 2023. Proposed draft regulatory amendments are currently undergoing Executive Branch review.

The exempt action for regulatory amendments to the CIC Manager Regulations, CIC Association Registration Regulations, and the CIC Ombudsman Regulations pursuant to changes resulting from the enactment of Chapters 387 and 388 of the 2023 Acts of Assembly were filed on September 15, 2023. Proposed draft regulatory amendments are currently undergoing Executive Branch Review.

The exempt action for regulatory amendments to the Time-Share Regulations pursuant to House Bill 1955 and Senate Bill 969 is in the process of being filed for Executive Branch review.

Mr. Haughwout provided information on the status of the periodic review of the Boards' regulations. There were no public comments received germane to Chapter 10, Chapter 45, Chapter 50, Chapter 60, or Chapter 70 of the Board's regulations, for which the public comment period was held from July 31, 2023, to August 21, 2023. However, Mr. Haughwout presented a comment pertaining to Chapter 70 received on July 13, 2023, during the periodic review of the Condominium, as well as his response to the commenter. Mr. Sterling moved to have Mr. Haughwout contact the commenter to invite him to submit the comment during the public comment period of the CIC Ombudsman Regulations general review. Ms. Tunstall seconded the motion which was unanimously approved by: Mercer, Noonan, Overholt, Sheehan, Sterling, Talbert, and Tunstall.

Periodic Review of Board's Regulations

Mr. Haughwout then asked the Board to consider whether to repeal, amend or retain as is Chapter 10, Chapter 45, Chapter 50, Chapter 60, and Chapter 70 of the Board's regulations, as part of the periodic review. Ms. Overholt moved to retain the regulations as is. Ms. Tunstall seconded the motion which was unanimously approved by: Mercer, Noonan, Overholt, Sheehan, Sterling, Talbert, and Tunstall.

Ms. Pettus asked the Board to consider authorizing a NOIRA for general review of the Time-Share Regulations and to form a regulatory review committee. Ms. Overholt moved to authorize staff to file the NOIRA and form a regulatory review committee. Ms. Sheehan seconded the motion which was unanimously approved by: Mercer, Noonan, Overholt, Sheehan, Sterling, Talbert, and Tunstall. Ms. Overholt volunteered for the regulatory review committee. Ms. Pettus advised she will reach out to Board members not present and other stakeholders, in consultation with Ms. Overholt, for additional committee members. The Board agreed by consensus.

Consider Authorizing NOIRA & Committee Membership for the General Review of Time-Share Regulations

Ms. Pettus advised the Board that as discussed earlier in the meeting, the NOIRA for the general review of the Condominium Regulations and formation of a regulatory review committee was authorized at the June 8, 2023, Board meeting. Ms. Pettus asked members of the Board to consider serving on the committee. Ms. Noonan and Ms. Talbert volunteered to serve on the committee. Ms. Pettus will reach out to board members not present and other stakeholders, in consultation with the Board Chair, for additional committee members. The Board agreed by consensus.

Consider Condominium Regulations Regulatory Review Committee Membership

As the Board voted to reconvene the CIC Manager Regulatory Review Committee at its June 8, 2023, Board meeting, Ms. Pettus asked the Board to review the Committee membership roster, originally established in 2021, to determine whether the Board would like to update the roster based on changes to Board membership since that time. During discussion, Ms. Noonan and Ms. Talbert volunteered to serve on the committee. The Board agreed by consensus to retain the original Committee membership, with the addition of Ms. Noonan and Ms. Talbert. Ms. Pettus advised she would reach out to the existing Committee members to see if they would be interested in serving.

**Consider CIC
Manager Regulation
Regulatory Review
Committee
Membership**

Ms. Pettus asked the Board to consider adopting a policy for requests for continuance of decisions for disciplinary and licensing cases. The Department suggests adopting such a policy in order to create consistency among all Boards within the agency when considering requests for continuance. Ms. Pettus advised that pursuant to the Administrative Process Act (APA), a case decision must be made within 90 days of an Informal Fact-Finding conference (IFF); however, the Code of Virginia also provides a means for respondents or their attorneys to request case decisions to be rendered later than the 90-day timeframe from the date of the IFF. After review and discussion, Ms. Noonan moved to adopt the following policy as written:

**Consider Board
Policy on
Continuance of Case
File Decisions**

1. All requests for a continuance of a case must be in writing.
2. Requests for a continuance of a licensing case may be granted administratively by the Board's Executive Director or designee.
3. Requests for a continuance for disciplinary cases in which the recommended sanction does not include license revocation may be granted administratively by the Board's Executive Director or designee. The Executive Director may only grant one continuance to the next meeting for any case. Any further requests for a continuance may only be granted by vote of the Board at the next meeting in which the case is to be considered.
4. Requests for a continuance for disciplinary cases in which the recommended sanction includes license revocation may only be granted by vote of the Board at the meeting in which the case is scheduled to be considered.

Ms. Sheehan seconded the motion which was unanimously approved by: Mercer, Noonan, Overholt, Sheehan, Sterling, Talbert, and Tunstall.

Ms. Pettus informed the Board that Heather Gillespie, CIC Ombudsman, was unable to attend the meeting. The Board was provided with a report from Ms. Gillespie containing statistics on complaints received by the Ombudsman's office, as well as compliance and enforcement statistics.

Ombudsman Report

Josh Laws, Assistant Attorney General, provided an update on ongoing litigation.

Litigation Update

Ms. Pettus informed the Board that in reviewing current Board financials concern was raised by staff that the Board's Recovery Fund may have insufficient funds should there be multiple claims made against the fund. Pursuant to §54.1-2354.2 of the Code of Virginia, moneys remaining in the CIC Management Information Fund at the end of each fiscal year may be transferred to the Board's Recovery Fund at the Board's discretion. Ms. Pettus asked the Board to consider transferring money from the CIC Management Information Fund to the Recovery Fund.

**Discussion of
Management
Information Fund
Transfer**

After lengthy discussion, Ms. Talbert moved to transfer \$750,000 from the CIC Management Information Fund to the Board's Recovery Fund. Ms. Overholt seconded the motion which was unanimously approved by: Mercer, Noonan, Overholt, Sheehan, Sterling, Talbert, and Tunstall.

Ms. Pettus provided the Board with the most recent financial statements.

**Board Financial
Statements**

Board members considered the following future meeting dates:

**Consider 2024
Meeting Dates**

- March 28, 2024
- May 13, 2024, tentative if needed for work on regulatory reviews
- May 30, 2024, tentative if needed for work on regulatory reviews
- June 6, 2024
- September 27, 2024
- December 5, 2024

Ms. Noonan moved to approve the 2024 meeting dates as presented. Ms. Talbert seconded the motion which was unanimously approved by: Mercer, Noonan, Overholt, Sheehan, Sterling, Talbert, and Tunstall.

Board members considered the following Resolutions for Service:

Consider
Resolutions for
Service

Jim Foley

WHEREAS, **Jim Foley**, did faithfully and diligently serve as a member of the Common Interest Community Board from 2019 to 2023;

WHEREAS, **Jim Foley**, did devote generously of his time, talent and leadership to the Board;

WHEREAS, **Jim Foley**, did endeavor at all times to render decisions with fairness and good judgement in the best interest of the citizens of the Commonwealth and these professions; and

WHEREAS, the Common Interest Community Board wishes to acknowledge its gratitude for devoted service of a person who is held in high esteem by the members of the Board and the citizens of the Commonwealth;

NOW THEREFORE BE IT RESOLVED, by the Common Interest Community Board this twenty-first day of September 2023, that **Jim Foley** be given all honors and respect due him for his outstanding service to the Commonwealth and its citizens; and

BE IT FURTHER RESOLVED, that this Resolution be presented to him and be made a part of the official minutes of the Board so that all may know of the high regard in which he is held by this Board.

Eileen M. Greenberg

WHEREAS, **Eileen Greenberg**, did faithfully and diligently serve as a member of the Common Interest Community Board from 2021 to 2023;

WHEREAS, **Eileen Greenberg**, did devote generously of her time, talent and leadership to the Board;

WHEREAS, **Eileen Greenberg**, did endeavor at all times to render decisions with fairness and good judgement in the best interest of the citizens of the Commonwealth and these professions; and

WHEREAS, the Common Interest Community Board wishes to acknowledge its gratitude for devoted service of a person who is held in high esteem by the members of the Board and the citizens of the Commonwealth;

NOW THEREFORE BE IT RESOLVED, by the Common Interest Community Board this twenty-first day of September 2023, that **Eileen Greenberg** be given all honors and respect due her for her outstanding service to the Commonwealth and its citizens; and

BE IT FURTHER RESOLVED, that this Resolution be presented to her and be made a part of the official minutes of the Board so that all may know of the high regard in which she is held by this Board.

Mr. Sterling moved to adopt the resolutions as presented. Ms. Overholt seconded the motion which was unanimously approved by: Mercer, Noonan, Overholt, Sheehan, Sterling, Talbert, and Tunstall.

Ms. Pettus asked the Board to consider Training Program Review Committee membership as some of the members are no longer serving on the Board.

Consider Training Program Review Membership

Ms. Tunstall and Ms. Talbert volunteered to serve on the Training Program Review Committee. The Board agreed by consensus to have Ms. Tunstall and Ms. Talbert serve on the Committee.

Board members reviewed an email received from Norman Dailey, in which Mr. Dailey expressed his concerns over his association's compliance with its own bylaws and governing documents, and the Board's lack of purview over the matter. Staff's response to Mr. Dailey was also reviewed by the Board.

Other Business

Mr. Haughwout presented to the Board for review draft proposed amendments to the CIC Association Registration Regulations. After review and discussion, Mr. Haughwout asked the Board to consider authorizing staff to file a NOIRA for the general review of the regulations. Ms. Overholt moved to authorize the filing of the NOIRA for the general review of the CIC Association Registration regulations. Mr. Sterling seconded the motion which was unanimously approved by: Mercer, Noonan, Overholt, Sheehan, Sterling, Talbert, and Tunstall.

Consider Authorizing NOIRA for CIC Association Registration Regulations General Review

Mr. Mercer reminded Board members to complete their conflict of interest forms.

Complete Conflict of Interest Forms and Travel Vouchers

There being no further business, the meeting was adjourned at 11:56 a.m.

Adjourn

Matt Durham, Chair

Kishore S. Thota, Secretary

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CIC MANAGER REGULATORY REVIEW COMMITTEE
OF THE
COMMON INTEREST COMMUNITY BOARD

MINUTES OF MEETING

The CIC Manager Regulatory Review Committee of the Common Interest Community Board (Board) met on November 2, 2023, at the Department of Professional and Occupational Regulation (DPOR), 9960 Mayland Drive, 2nd Floor, Board Room 3, Richmond, Virginia 23233.

The following members of the committee were present:

Lucia “Pia” Trigiani, Chair
Matt Durham (Ex-officio)
Drew Mulhare
Paul Orlando
Nan Piland
Anne Sheehan
Tracey Talbert

Committee members Amanda Jonas and Catherine Noonan were not in attendance.

The following staff members were present for all or part of the meeting:

Brian Wolford, Chief Deputy Director
Steve Kirschner, Licensing and Regulatory Programs Deputy Director
Joseph C. Haughwout, Jr., Regulatory Affairs Manager
Tanya M. Pettus, Board Administrator
Lee D. Bryant, Board and Regulatory Operations Administrator
Heather Gillespie, Ombudsman
Rachel Harris, Administrative Coordinator

Ms. Trigiani, called the meeting to order at 10:15 a.m.

Call to Order

Ms. Trigiani advised the Committee of the emergency evacuation procedures.

**Emergency
Evacuation
Procedures**

Mr. Mulhare moved to approve the agenda as presented. Ms. Piland seconded the motion which was unanimously approved by: Trigiani, Durham, Mulhare, Orlando, Piland, Sheehan, and Talbert.

**Approval of
Agenda**

There were no members of the public present.

**Public Comment
Period**

All Committee members and staff present introduced themselves.

Overview

Mr. Kirschner reviewed the purpose of the Committee, and provided an overview of the regulatory review process and timeline.

The Committee was provided with current Common Interest Community Manager Regulations, applicable laws, regulations, and Board guidance documents.

Resources and Information

Mr. Kirschner presented the Committee with draft proposed amendments of the Common Interest Community Manager Regulations for review and consideration.

Consider Necessary Regulatory Changes

Discussion was held on entry requirements, including pre-licensing education and bonding.

The Committee recessed from 12:04 p.m. to 12:32 p.m.

Recess

Ms. Piland departed the meeting at 2:26 p.m.

Departure of Committee Member

The Committee continued to consider draft proposed regulatory amendments.
Discussion was held on pre-license and continuing education topics.

Consider Necessary Regulatory Changes, Continued

Discussion was also held on items the 2021-2022 CIC Regulatory Review Committee recommended to the Board to be considered for legislative proposals during the 2023 General Assembly session. Ms. Pettus advised she would review those items to determine whether they were included on the Board's proposed legislative items for consideration during the 2023 or 2024 sessions. After discussion, Mr. Orlando moved to authorize staff to determine what, if any, proposed legislative recommendations from the 2021-2022 Committee have not been included in the Board's legislative proposals, and to recommend to the Board that they again consider those items as proposed legislative amendments. Mr. Mulhare seconded the motion which was unanimously approved by: Trigiani, Durham, Mulhare, Orlando, Sheehan, and Talbert.

Ms. Talbert then moved to recommend to the Board proposed amendments to the CIC Manager Regulations as discussed and amended,

authorizing staff to make stylistic and technical changes as necessary prior to review by the Board. Mr. Mulhare seconded the motion which was unanimously approved by: Trigiani, Durham, Mulhare, Orlando, Sheehan, and Talbert.

There being no further business, the meeting adjourned at 2:34 p.m.

Adjourn

Matt Durham, Chair

Kishore S. Thota, Secretary

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INTRODUCTION OF NEW BOARD

MEMBERS

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DPOR STAFF UPDATES

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PUBLIC COMMENT PERIOD

Five minute public comment, per person, with the exception of any open disciplinary or application files.

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UPDATE ON REGULATORY ACTIONS

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DRAFT AGENDA



Preliminary Draft Text

[Regulation](#)

[Act](#) C C Ombudsman Regulations General Regulatory Review
[Stage](#) NOIRA 7/18/23 7:19 AM

18VAC48-70-10 Definitions

A. Section 54.1-2345 of the Code of Virginia provides definitions of the following terms and phrases as used in this chapter

Association

Board

Common interest community

Common interest community manager

Declaration

Governing board

Lot

B. Section 54.1-2354.1 of the Code of Virginia provides the definition of the following term as used in this chapter

Director

C. Section 55.1-1900 of the Code of Virginia provides definition of the following term as used in this chapter

Condominium instruments

D. Section 55.1-2307 of the Code of Virginia provides definitions of the following terms as used in this chapter

Governing documents

Resale certificate

E. The following words, terms, and phrases, when used in this chapter, ~~shall~~ will have the following meanings unless ~~the context clearly indicates otherwise~~: a different meaning is provided or is plainly required by context

"Adverse decision" or "final adverse decision" means the final ~~determination~~ decision issued by an association pursuant to an association complaint procedure that is opposite of, or does not provide for, either wholly or in part, the cure or corrective action sought by the complainant. Such decision means all avenues for internal appeal under the association complaint procedure have been exhausted. ~~The date of the final adverse decision shall be the date of the notice issued pursuant to subdivisions 8 and 9 of 18VAC48-70-50.~~

"Association complaint" means a written complaint filed by a member of the association or a citizen pursuant to an association complaint procedure. An

association complaint ~~shall~~ must concern a matter regarding ~~the~~ an action, inaction, or decision by the association, governing board, or managing agent, ~~or association inconsistent that is in conflict~~ with applicable common interest community laws ~~and~~ or regulations.

"Association complaint procedure" means the written process adopted by an association to receive and consider association complaints from members and citizens. ~~The complaint procedure shall include contact information for the Office of the Common Interest Community Ombudsman in accordance with § 54.1-2354.4 of the Code of Virginia. An appeal process, if applicable, shall be set out in an association complaint procedure adopted by the association, including relevant timeframes for filing the request for appeal. If no appeal process is available, the association complaint procedure shall indicate that no appeal process is available and that the rendered decision is final.~~

~~"Association governing documents" means collectively the applicable organizational documents, including the current and effective (i) articles of incorporation, declaration, and bylaws of a property owners' association, (ii) condominium instruments of a condominium, and (iii) declaration and bylaws of a real estate cooperative, all as may be amended from time to time. Association governing documents also include, to the extent in existence, resolutions, rules and regulations, or other guidelines governing association member conduct and association governance.~~

"Common interest community laws or regulations" means Chapter 23.3 of Title 54.1 of the Code of Virginia, Chapters 18, 19, 20, and 21 of Title 55.1 of the Code of Virginia, or the regulations of the Board.

"Complainant" means an association member or citizen who makes a written complaint pursuant to an association complaint procedure.

~~"Director" means the Director of the Department of Professional and Occupational Regulation.~~

"Record of complaint" means all documents, correspondence, and other materials related to a decision made pursuant to an association complaint procedure.

18VAC48-70-20 Submission of documentation

Any documentation required to be filed with or provided to the board, director, or Office of the Common Interest Community Ombudsman pursuant to this chapter and Article 2 (§ 54.1-2354.1 et seq.) of Chapter 23.3 of Title 54.1 of the Code of Virginia ~~shall~~ must be filed with or provided to the Department of Professional and Occupational Regulation.

18VAC48-70-30 Requirement for association to develop an association complaint procedure

In accordance with § 54.1-2354.4 of the Code of Virginia, each association ~~shall~~ will have a written process for resolving association complaints from members and citizens. The association complaint procedure ~~or form shall~~ will conform with the requirements set forth in § 54.1-2354.4 of the Code of Virginia and this chapter, as well as the association governing documents, which ~~shall~~ must not be in conflict with § 54.1-2354.4 of the Code of Virginia or this chapter.

18VAC48-70-40 Establishment and adoption of written association complaint procedure

A. Associations filing an initial application for registration pursuant to § 55.1-1835, 55.1-1980, or 55.1-2182 of the Code of Virginia must certify that an association complaint procedure has been established and adopted ~~at~~ as of the date of registering or within 90 days of registering with the board.

B. An association that has been delinquent in registering the association and filing its required annual reports is still required to have an established and adopted written association complaint procedure. At the time such an association files an application for registration, it must certify that an association complaint procedure has been established and adopted by the governing board.

C. The association ~~shall~~ will certify with each annual report filing that the association complaint procedure has been adopted and is in effect.

18VAC48-70-50 Association complaint procedure requirements

The association complaint procedure ~~shall~~ must be in writing and ~~shall~~ include the following provisions in addition to any specific requirements contained in the ~~association's~~ governing documents that do not conflict with § 54.1-2354.4 of the Code of Virginia or the requirements of this chapter.

1. The association complaint must be in writing.

2. A sample of the form, if any, on which the association complaint must be filed ~~shall~~ will be provided upon request.

3. The association complaint procedure ~~shall~~ must include the process by which complaints ~~shall be~~ are delivered to the association.

4. The association complaint procedure must include contact information for the Office of the Common Interest Community Ombudsman in accordance with § 54.1-2354.4 of the Code of Virginia.

~~4- 5.~~ The association ~~shall~~ must provide written acknowledgment of receipt of the association complaint to the complainant within ~~seven~~ 14 days of receipt. ~~Such~~ The acknowledgment shall will be hand delivered ~~or~~, mailed ~~by registered or certified mail, return receipt requested~~, or delivered by third-party courier, with proof of delivery to the complainant at the address provided, or ~~if consistent with established association procedure~~, unless prohibited by the governing documents, by electronic means provided the ~~sender~~ association retains sufficient proof of the electronic delivery.

~~5- 6.~~ Any specific documentation that must be provided with the association complaint ~~shall~~ must be clearly described in the association complaint procedure. In addition, to the extent the complainant has knowledge of the law or regulation applicable to the complaint, the complainant ~~shall will~~ provide that reference, ~~as well as the requested action or resolution.~~

~~6- 7.~~ The association ~~shall~~ must have a reasonable, efficient, and timely method for identifying and requesting any additional information from the complainant that is necessary ~~for the complainant to provide in order~~ to continue processing the association complaint. The association ~~shall will~~ establish a reasonable timeframe for responding to and for the disposition of the association complaint if the request for information is not received within the required timeframe.

~~7- 8.~~ Notice of the date, time, and location that the matter will be considered ~~shall~~ will be hand delivered ~~or~~, mailed ~~by registered or certified mail, return receipt requested~~, or delivered by third-party courier, with proof of delivery to the complainant at the address provided or, ~~if consistent with established association procedure~~ unless prohibited by the governing documents, ~~delivered~~ by electronic means, provided the ~~sender~~ association retains sufficient proof of the electronic delivery, ~~within a reasonable time~~ at least 14 days, unless otherwise agreed to in writing, prior to consideration as established by the association complaint procedure.

~~8- 9.~~ After the final determination is made, the written notice of final determination ~~shall will~~ be hand delivered ~~or~~, mailed ~~by registered or certified mail, return receipt~~

~~requested~~ or delivered by third-party courier, with proof of delivery, to the complainant at the address provided or, ~~if consistent with established association procedure~~ unless prohibited by the governing documents, delivered by electronic means, provided the ~~sender~~ association retains sufficient proof of the electronic delivery, within seven days.

~~9.~~ 10. The notice of final determination ~~shall~~ must be dated as of the date of issuance and include specific citations to ~~applicable association governing documents, common interest community laws,~~ or regulations that led to the final determination, as well as the registration number of the association. If applicable, the name and license number of the common interest community manager ~~shall~~ must also be provided.

~~10.~~ 11. The notice of final determination ~~shall~~ must include the complainant's right to file a Notice of Final Adverse Decision with the ~~Common Interest Community Board via the~~ Common Interest Community Ombudsman and the applicable contact information.

12. An appeal process, if applicable, must be set out in an association complaint procedure, including relevant timeframes for filing the request for appeal. If no appeal process is available, the association complaint procedure must indicate that no appeal process is available and that the rendered decision is final.

18VAC48-70-60 Distribution of association complaint procedure

A. The association complaint procedure must be readily available upon request to all members of the association and citizens.

B. ~~The~~ An association must include the association complaint procedure ~~shall be included as an attachment to~~ part of the resale certificate ~~or the association disclosure packet.~~

18VAC48-70-70 Maintenance of association record of complaint

A. A record of each association complaint filed with the association ~~shall~~ must be maintained in accordance with § 54.1-2354.4 A 1 of the Code of Virginia.

B. Unless otherwise specified by the director or ~~his~~ the director's designee, the association ~~shall~~ must provide to the director or ~~his~~ the director's designee, within 14 days of receipt of the request, any document, book, or record concerning the association complaint. The director or ~~his~~ the director's designee may extend such timeframe upon a showing of extenuating circumstances prohibiting delivery within 14 days of receiving the request.

18VAC48-70-80 Failure of association to establish and utilize association complaint procedure

Failure of an association to establish and utilize an association complaint procedure in accordance with this chapter may result in the board seeking any of the remedies available pursuant to Chapter 23.3 (§ 54.1-2345 et seq.) of Title 54.1 of the Code of Virginia.

18VAC48-70-90 Filing of notice of final adverse decision

A complainant may file a notice of final adverse decision in accordance with § 54.1-2354.4 B of the Code of Virginia concerning any final adverse decision that has been issued by an association in accordance with this chapter.

1. The notice ~~shall~~ must be filed within 30 days of the date of the final adverse decision.

2. The notice ~~shall~~ must be in writing on forms provided by the Office of the Common Interest Community Ombudsman. ~~Such~~ The forms ~~shall~~ will request the following information:

a. Name and contact information of complainant;

b. Name, address, and contact information of association; and

~~c. Applicable association governing documents; and~~

~~d. c. Date of final adverse decision. The date of final adverse decision will be the date of the notice issued pursuant to subdivisions 8 and 9 of 18VAC48-70-50.~~

3. The notice ~~shall~~ must include a copy of the association complaint, the final adverse decision, reference to the laws and regulations the final adverse decision may have violated, any supporting documentation ~~related to~~ that accompanied the final adverse decision, and a copy of the association complaint procedure.

4. The notice ~~shall~~ must be accompanied by a \$25 filing fee or a request for waiver pursuant to 18VAC48-70-100.

18VAC48-70-100 Waiver of filing fee

A. In accordance with § 54.1-2354.4 B of the Code of Virginia, the board may, for good cause shown, waive or refund the filing fee upon a finding that payment of the filing fee will cause undue financial hardship for the complainant.

B. The current U.S. Department of Health & Human Services (HHS) Poverty Guidelines will be used to establish the threshold for whether a filing fee will be waived or refunded as a result of financial hardship. The HHS Poverty Guidelines as updated annually in the Federal Register are incorporated by reference.

C. In order to determine whether the complainant requesting the waiver or refund of the filing fee is at or below the HHS Poverty Guidelines, the complainant must submit supporting documentation satisfactory to the board that provides proof of income.

D. A waiver or refund of the filing fee will be granted if proof of income submitted is at or below the then-current HHS Poverty Guidelines.

18VAC48-70-105 Receipt of notice of final adverse decision

In accordance with subdivision B 3 of § 54.1-2354.3 of the Code of Virginia, upon receipt of a notice of final adverse decision, the Office of the Common Interest Community Ombudsman may either (i) refer such adverse decision to the board for further review of whether such adverse decision is in conflict with the laws or board regulations governing common interest communities or interpretations thereof by the board; or (ii) review such adverse decision in accordance with the requirements of this part.

18VAC48-70-110 Review of final adverse decision

A. Upon receipt of the notice of final adverse decision from the complainant, along with the filing fee or a board-approved waiver of filing fee, the Office of the Common Interest Community Ombudsman ~~shall~~ will provide written acknowledgment of receipt of the notice to the complainant and ~~shall~~ will provide a copy of the written notice to the governing board, and, if applicable, the common interest community manager of the association that made the final adverse decision. The notice of adverse decision is not complete and will not be reviewed until the filing fee has been received or a waiver of filing fee has been granted by the board.

B. In accordance with § 54.1-2354.4 C of the Code of Virginia, additional information may be requested from the association that made the final adverse decision. Upon request, the association ~~shall~~ will provide such information to the Office of the Common Interest Community Ombudsman within a reasonable time.

C. Information that was not part of the final adverse decision will not be considered.

18VAC48-70-120 Decision from the notice of final adverse decision

A. Upon review of the notice of final adverse decision in accordance with § 54.1-2354.4 C of the Code of Virginia, if the director determines that the final adverse decision may be in conflict with laws or regulations governing common interest communities or interpretations thereof by the board, the director ~~may, in his sole discretion;~~ must provide the complainant and the governing board, and, if applicable, the common interest community manager of the association with information concerning such laws or regulations governing common interest communities or interpretations thereof by the board.

B. The determination of whether the final adverse decision may be in conflict with laws or regulations governing common interest communities or interpretations thereof by the board ~~shall be a matter within the sole discretion of the director. Such decision~~ is final and not subject to further review. ~~The determination of the director shall not be binding upon the complainant or the association that made the final adverse decision.~~

C. In accordance with § 54.1-2354.4 C of the Code of Virginia, if within 365 days of issuing a determination that an adverse decision is in conflict with laws or board regulations governing common interest common interest communities or interpretations thereof by the board, the director receives a subsequent notice of final adverse decision for the same violation by the association, the director must refer the repeat violation to the board, which must take action in accordance with §§ 54.1-2351 or 54.1-2352, as deemed appropriate by the board.

18VAC48-70-125 Referral for further action

In addition to the provisions of this chapter, any matter involving a violation of applicable laws or regulations of the board may be referred for further action by the board in accordance with the provisions of Chapter 23.3 (§ 54.1-2345 et seq.) of Title 54.1; Chapters 18 (§ 55.1-1800 et seq.), 19 (55.1-1900 et seq.), and 21 (§ 55.1-2100 et seq.) of Title 55.1 of the Code of Virginia; and the board's regulations.

18VAC48-70-130 Purpose, responsibilities, and limitations

The Office of the Common Interest Community Ombudsman ~~shall~~ will carry out those activities as enumerated in § 54.1-2354.3 of the Code of Virginia.

18VAC48-70-9999 Documents Incorporated by Reference (18VAC48-70)

HHS Poverty Guidelines, Office of the Secretary, U.S. Department of Health and Human Services, January 12, 2023, <https://aspe.hhs.gov/topics/poverty-economic-mobility/poverty-guidelines>.

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CONSIDER ADOPTION OF PROPOSED
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MANAGER REGULATIONS

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Common Interest Community Board

Common Interest Community Manager Regulatory Review Committee

Recommendations for Legislative Changes

During review of the Common Interest Community Manager Regulations, the Committee identified the following items that it recommends the Board consider making part of its requests for legislative changes:

1. Conduct a study on removing the licensure exemption under § 54.1-2347(A)(2) of the Code of Virginia for an employee of an association who provides management services to the association.
2. Legislation to eliminate or reduce the two (2) year period outlined in § 54.1-2346(C) of the Code of Virginia for principal or supervisory employees of the firm to hold a principal or supervisory employee certificate issued by the Board after beginning employment with a common interest community manager.
3. Legislation to change § 54.1-2349(A)(2) of the Code of Virginia so that the Board's regulations may permit a management company's designation as an Accredited Association Management Company (AAMC) to be one of the criteria for licensure, rather than a mandated criterion.
4. Legislation to change § 54.1-2346(D) of the Code of Virginia to clarify that the amount of the fidelity bond or employee dishonesty insurance be based on the amount of cash, certificates of deposit, and investments held by an association at the end of the most recent fiscal year.

1. Put forward for 2023 and 2024.
2. Not put forward.
3. Put forward for 2023 and 2024
4. Put forward for 2023 and 2024

CLOSED MEETING FOR THE PURPOSE
OF CONSULTATION WITH LEGAL
COUNSEL AND STAFF REGARDING
SPECIFIC LEGAL MATTERS PURSUANT
TO §2.2-3711.A.7 OF THE CODE OF
VIRGINIA

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**CONSIDER REQUEST FOR WAIVER OF
NEAD FILING FEE**

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OMBUDSMAN REPORT

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**Department of Professional and Occupational Regulation
Statement of Financial Activity**

**Common Interest Community Board
954520**

2022-2024 Biennium

September 2023

	September 2023 Activity	Biennium-to-Date Comparison	
		July 2020 - September 2021	July 2022 - September 2023
Cash/Revenue Balance Brought Forward			0
Revenues	0	719,829	633,032
Cumulative Revenues			633,032
Cost Categories:			
Board Expenditures	22,152	538,938	498,377
Board Administration	0	0	0
Administration of Exams	0	0	0
Enforcement	31,855	180,518	262,016
Legal Services	50	3,514	2,292
Information Systems	8,154	99,604	99,434
Facilities and Support Services	7,419	94,882	96,914
Agency Administration	11,626	62,918	106,921
Other / Transfers	0	5,023	4,415
Total Expenses	81,257	985,397	1,070,368
Transfer To/(From) Cash Reserves	(81,257)	0	(437,336)
Ending Cash/Revenue Balance			0

Cash Reserve Beginning Balance	2,344,115	0	2,700,194
Change in Cash Reserve	(81,257)	0	(437,336)
Ending Cash Reserve Balance	2,262,858	0	2,262,858

Number of Regulators	
Current Month	0
Previous Biennium-to-Date	7,445

DEPARTMENT OF PROFESSIONAL
& OCCUPATIONAL REGULATION

**VIRGINIA COMMON INTEREST
COMMUNITY MANAGEMENT
RECOVERY FUND**

FINANCIAL STATEMENTS

Cash Basis

For the Month Ended

9/30/2023

DEPARTMENT OF PROFESSIONAL AND OCCUPATIONAL REGULATION
VIRGINIA COMMON INTEREST COMMUNITY MANAGEMENT RECOVERY FUND
BALANCE SHEET
GOVERNMENTAL FUNDS
09/30/23

	Special Revenue Funds		
	Principal	Interest	Totals
ASSETS			
Cash and Cash Equivalents	\$ 151,430	\$ 19,201	\$ 170,631
	-	-	-
Total Assets	<u>\$ 151,430</u>	<u>\$ 19,201</u>	<u>\$ 170,631</u>
FUND BALANCES			
Reserved for Payment of Future Claims	\$ 151,430	-	\$ 151,430
Reserved for Administration of Recovery Act	-	19,201	19,201
Total Fund Balances	<u>\$ 151,430</u>	<u>\$ 19,201</u>	<u>\$ 170,631</u>

The accompanying notes are an integral part of this statement.

DEPARTMENT OF PROFESSIONAL AND OCCUPATIONAL REGULATION
VIRGINIA COMMON INTEREST COMMUNITY MANAGEMENT RECOVERY FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE MONTH ENDED 09/30/2023

	CURRENT MONTH			YEAR TO DATE		
	Principal Fund	Interest Fund	Totals	Principal Fund	Interest Fund	Totals
REVENUES:						
Assessments	\$ 1,125	\$ -	\$ 1,125	\$ 3,600	\$ -	\$ 3,600
Investment Income		664	664		1,997	1,997
Total Revenues:	<u>1,125</u>	<u>664</u>	<u>1,789</u>	<u>3,600</u>	<u>1,997</u>	<u>5,597</u>
EXPENDITURES:						
Claims Expense	-	-	-	-	-	-
Administrative Expenses	-	-	-	-	-	-
Total Expenses:	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>1,125</u>	<u>664</u>	<u>1,789</u>	<u>3,600</u>	<u>1,997</u>	<u>5,597</u>
Beginning Fund Balance	<u>150,305</u>	<u>18,537</u>	<u>168,842</u>	<u>147,830</u>	<u>17,203</u>	<u>165,033</u>
Ending Fund Balance	<u>\$ 151,430</u>	<u>\$ 19,201</u>	<u>\$ 170,631</u>	<u>\$ 151,430</u>	<u>\$ 19,201</u>	<u>\$ 170,631</u>

The accompanying notes are an integral part of this statement.

DEPARTMENT OF PROFESSIONAL AND OCCUPATIONAL REGULATION
 VIRGINIA COMMON INTEREST COMMUNITY MANAGEMENT RECOVERY FUND
 SUPPLEMENTAL SCHEDULE OF CLAIMS PAID
 September 30, 2023

CLAIMS PAID:	Number of Payments	Dollar Amount of Claims Paid	Related Recoveries	Net Payments
July 1, 2022 - June 30, 2023	0	\$0.00	\$0.00	\$0.00
July 1, 2021 - June 30, 2022	1	\$239,466.76	\$0.00	\$239,466.76
July 1, 2020 - June 30, 2021	0	\$0.00	\$0.00	\$0.00
July 1, 2019 - June 30, 2020	0	\$0.00	\$0.00	\$0.00
July 1, 2018 - June 30, 2019	0	\$0.00	\$0.00	\$0.00
July 1, 2017 - June 30, 2018	0	\$0.00	\$0.00	\$0.00
July 1, 2016 - June 30, 2017	0	\$0.00	\$0.00	\$0.00
July 1, 2015 - June 30, 2016	0	\$0.00	\$0.00	\$0.00
July 1, 2014 - June 30, 2015	0	\$0.00	\$0.00	\$0.00
July 1, 2013 - June 30, 2014	0	\$0.00	\$0.00	\$0.00
July 1, 2012 - June 30, 2013	0	\$0.00	\$0.00	\$0.00
July 1, 2011 - June 30, 2012	0	\$0.00	\$0.00	\$0.00
July 1, 2010 - June 30, 2011	0	\$0.00	\$0.00	\$0.00
July 1, 2009 - June 30, 2010	0	\$0.00	\$0.00	\$0.00
July 1, 2008 - June 30, 2009	0	\$0.00	\$0.00	\$0.00
Total	1	\$239,466.76	\$0.00	\$239,466.76

This schedule is presented on a cash basis and represents aggregate claims paid and related recoveries. Recoveries are often received and reported in a different year from when the claim was paid.

DEPARTMENT OF PROFESSIONAL AND OCCUPATIONAL REGULATION
VIRGINIA COMMON INTEREST COMMUNITY MANAGEMENT RECOVERY FUNDS
NOTES TO FINANCIAL STATEMENTS
9/30/2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of certain significant accounting policies employed by the Department of Professional and Occupational Regulation in administering the Virginia Common Interest Community Management Recovery Fund.

A. Basis of Presentation

The accompanying financial statements have been prepared using governmental fund accounting as prescribed by the Governmental Accounting Standards Board (GASB). The financial statements are prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles.

B. Reporting Entity

These financial statements report the financial activity of the Virginia Common Interest Community Management Recovery Fund, which is administered by the Department of Professional and Occupational Regulation. The Department exercises oversight authority over other funds which are not included in these financial statements.

C. Financial Statement Presentation

Special Revenue Funds account for transactions related to resources received and used for restricted or specific purposes. The Virginia Common Interest Community Management Recovery Fund, which is reported as a special revenue fund, is established under Section 55-530.1 of the *Code of Virginia* to reimburse associations for losses that occur when their community manager fails to perform his or her fiduciary responsibilities.

D. Measurement Focus and Basis of Accounting

The governmental fund financial statements are reported using the current financial resources measurement focus and the cash basis of accounting. Revenues are recognized when cash is received and expenditures are recorded when paid. The Department uses the cash basis of accounting during the year and prepares financial statements in accordance with generally accepted accounting principles at year end.

E. Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand, demand deposits, and investments in the Local Government Investment Pool (LGIP). Investments in the Local Government Investment Pool are reported as cash equivalents since they are readily convertible to cash.

2. RESTRICTED FUND BALANCES

Assets held in the Virginia Common Interest Community Management Recovery Funds are restricted to the payment of claims in accordance with Section 55.530.1H of the *Code of Virginia*. Interest earned on the deposits are used to pay the expenses of administering the fund, to pay claims, or may be transferred to the Common Interest Community Management Information Fund.

3. ASSESSMENTS

The Common Interest Community Management Recovery Fund is financed through assessments. Each new common interest community manager pays a \$25 assessment into the Recovery Fund at the time of application. Each association pays \$25 into the Recovery Fund at the time of filing its first annual report. After July 1, 2011, the *Code of Virginia* requires the Board to transfer funds from the Common Interest Community Management Information Fund and/or assess each association and each common interest community manager additional fees whenever the principal balance of the Recovery Fund is less than \$150,000. If the principal balance of the fund exceeds \$5,000,000 on June 30 of any year, the Board must transfer the excess to the Virginia Housing Partnership Revolving Fund.

* These financial statements are prepared by Doris Economou, Accounting Specialist. Please call 804-367-2530 if you have questions.

CONSIDER RESOLUTIONS FOR
SERVICE

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ELECTION OF OFFICERS

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OTHER BOARD BUSINESS

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Department of Professional and Occupational Regulation

COMMON INTEREST COMMUNITY BOARD 2024 LEGISLATIVE PROPOSALS

Following please find a list of potential legislative ideas for the 2024 General Assembly Session. Due to a change in deadlines for these submissions, these proposals have already been submitted for review by DPOR leadership. These proposals are a compilation of legislative amendments that the Board has discussed in past meetings. In addition, this list includes legislative changes based on recommendations from the CIC Manager Regulatory Review Committee, which the Board reviewed and accepted at its meeting on March 3, 2022. It also includes three new items (9, 10, 11) that were added as a result of items noted during the preparation of the standard Resale Certificate Form just after the 2023 legislative session. A summary of the legislative proposals is below. The remainder of the document provides more detail regarding each of the proposals.

CICB LEGISLATIVE ITEMS | Summary

- 1. Common Interest Communities/Common Interest Community Management Recovery Fund:** Amend § 54.1-2354.1 to include associations in the definition of "claimant" in order to allow associations to file a claim to recover money from the recovery fund, as opposed to only a court-appointed receiver. In addition, amend § 54.1-2354.5(C) to increase the minimum balance of the recovery fund to \$1,500,000. Also, amend § 54.1-2354.5(B) to require payments to the recovery fund with each common interest community manager renewal and each association annual report (not just with initial application or first annual report filing as is currently required). Overall, amend § 54.1-2354.5 to more closely conform to the Department's other recovery funds.
- 2. Virginia Real Estate Time-Share Act:** Remove the requirement from § 55.1-2245(A)(1) of the Code of Virginia that requires time-share resellers to keep a "copy of a current government-issued photographic identification (e.g., driver's license, passport, or military identification card) of the lead dealer who provided the contact information."
- 3. Common Interest Community Managers:** Amend § 54.1-2347(A) of the Code of Virginia to remove the licensure exemption outlined in § 54.1-2347(A)(2) that exempts "[a]n employee of an association from providing management services for that association's common interest community."
- 4. Common Interest Community Managers:** Amend § 54.1-2349(A)(2) of the Code of Virginia so that the Board's Common Interest Community Manager Regulations may permit a management company's designation as an Accredited Association Management

Company (AAMC) to be one of the criteria for licensure, rather than a mandated criterion.

5. **Common Interest Community Managers:** Amend § 54.1-2346(E) of the Code of Virginia to eliminate the requirement pertaining to an independent certified public accountant review or audit of the financial statements of the common interest community manager.
6. **Common Interest Community Managers:** Amend § 54.1-2346(D) of the Code of Virginia to clarify that the amount of the fidelity bond or employee dishonesty insurance policy to be obtained by a common interest community manager be based on all association funds under the control of the common interest community manager at the end of the most recent fiscal year.
7. **Common Interest Community Managers:** Amend § 54.1-2353(A) of the Code of Virginia to remove the requirement that association funds held by a common interest community manager be held in a trust account.
8. **Common Interest Community Managers:** Amend § 54.1-2349 of the Code of Virginia to remove the provisions outlined in subdivision B 2 that provide for the Real Estate Board to enforce Article 1 of Chapter 23.3 of Title 54.1 (§§ 54.1-2345 to 54.1-2354) of the Code of Virginia when the licensed common interest community manager is also a licensee of the Real Estate Board.
9. **Common Interest Communities:** Amend § 54.1-2350 of the Code of Virginia so that the tagline accurately reflects the changes made during the 2023 General Assembly Session. The provisions of the section were amended to require the Board to develop and disseminate a standardized resale certificate form as opposed to the previous requirement for the Board to develop a form to accompany the resale certificate. The tagline should be amended accordingly to prevent confusion.
10. **Resale Disclosure Act:** Delete § 55.1-2310.A.27 of the Code of Virginia related to documentation that must be provided in the resale certificate. This provision is specific to cooperatives and an accountant would not prepare a statement as to the deductibility for federal income tax purposes by the owner. Having this as a required component of the resale certificate is unnecessarily burdensome and confusing for volunteer associations preparing resale certificates.
11. **Resale Disclosure Act:** Amend § 55.1-2316.E of the Code of Virginia related to the collection of fees for preparation and delivery of resale certificates to include condominium unit owners' associations (§ 55.1-1980) and proprietary lessees' associations (§ 55.1-2182) as it inadvertently only references property owners' associations. This section was moved from the Property Owners' Association Act during the 2023 General Assembly Session and was not amended to include the additional Acts to which it is now applicable.

COMPLETE CONFLICT OF INTEREST
FORMS AND
TRAVEL VOUCHERS

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