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*Deputy Secretary*

## **HOUSE BILL 1187      Reserve Funding Assistance Program - Establishment**

### **STATEMENT OF INFORMATION**

**DATE: March 5, 2024**

**COMMITTEE: Environment and Transportation**

**SUMMARY OF BILL:** House Bill 1187 creates a new program administered by the Department of Housing and Community Development (DHCD) to assist seniors, individuals with disabilities, and those unable to work due to injury/medical condition to pay additional condominium fees. The legislation requires DHCD to adopt regulations to implement the bill and mandates a \$10 million appropriation to the program.

**EXPLANATION:** This bill requires DHCD to provide funds to residents of common ownership communities in order to assist with the payment of increased assessments. This bill also requires the Governor to include \$10 million in general funds in fiscal 2026 and each fiscal year thereafter. The Department of Budget and Management (DBM) is charged with submitting a balanced budget to the General Assembly annually and will be working with the General Assembly to achieve structural balance over the long-term. In light of current projected general fund deficits in fiscal 2026 forward, DBM urges caution in passing legislation with new mandated spending. State government must be intentional, disciplined, and strategic with its allocation of State funding to ensure maximum impact toward priority outcomes. In particular, it is not clear to DBM that a new public subsidy of condominium fees represents a core priority or responsibility for State general funds; further, it would be challenging for the State to manage this increase in spending given the forecasted out-year deficits for the General Fund.

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