

HOUSE BILL 1035

N1, C9

4r1722
CF 4r1723

By: **Delegates Rosenberg, Attar, and Ruff**

Introduced and read first time: February 7, 2024

Assigned to: Environment and Transportation

A BILL ENTITLED

1 AN ACT concerning

2 **Real Property – Insufficient Condominium Reserve Account Grant Fund –**
3 **Establishment**

4 FOR the purpose of establishing the Insufficient Condominium Reserve Account Grant
5 Fund as a special, nonlapsing fund to provide grants to low-income unit owners of
6 condominiums with insufficient reserve accounts to enable a low-income unit owner
7 to pay increased assessments necessary for a condominium association to meet
8 reserve account funding requirements; requiring interest earnings to be credited to
9 the Fund; requiring that the Fund prioritize certain older adults; and generally
10 relating to the Insufficient Condominium Reserve Account Grant Fund.

11 BY adding to
12 Article – Real Property
13 Section 11–144
14 Annotated Code of Maryland
15 (2023 Replacement Volume)

16 BY repealing and reenacting, without amendments,
17 Article – State Finance and Procurement
18 Section 6–226(a)(2)(i)
19 Annotated Code of Maryland
20 (2021 Replacement Volume and 2023 Supplement)

21 BY repealing and reenacting, with amendments,
22 Article – State Finance and Procurement
23 Section 6–226(a)(2)(ii)189. and 190.
24 Annotated Code of Maryland
25 (2021 Replacement Volume and 2023 Supplement)

26 BY adding to
27 Article – State Finance and Procurement

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 Section 6–226(a)(2)(ii)191.
2 Annotated Code of Maryland
3 (2021 Replacement Volume and 2023 Supplement)

4 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
5 That the Laws of Maryland read as follows:

6 **Article – Real Property**

7 **11–144.**

8 **(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS**
9 **INDICATED.**

10 **(2) “DEPARTMENT” MEANS THE DEPARTMENT OF HOUSING AND**
11 **COMMUNITY DEVELOPMENT.**

12 **(3) “FUND” MEANS THE INSUFFICIENT CONDOMINIUM RESERVE**
13 **ACCOUNT GRANT FUND.**

14 **(4) “LOW–INCOME UNIT OWNER” MEANS AN INDIVIDUAL OWNER OF A**
15 **CONDOMINIUM UNIT WHO IS A MEMBER OF A HOUSEHOLD WITH AN INCOME THAT IS**
16 **NOT GREATER THAN 80% OF THE AREA MEDIAN INCOME.**

17 **(5) “SECRETARY” MEANS THE SECRETARY OF HOUSING AND**
18 **COMMUNITY DEVELOPMENT.**

19 **(B) THERE IS AN INSUFFICIENT CONDOMINIUM RESERVE ACCOUNT**
20 **GRANT FUND.**

21 **(C) THE PURPOSE OF THE FUND IS TO PROVIDE GRANTS TO LOW–INCOME**
22 **UNIT OWNERS TO PAY FOR INCREASED ASSESSMENTS NECESSARY FOR A**
23 **CONDOMINIUM ASSOCIATION TO MEET RESERVE FUNDING REQUIREMENTS UNDER**
24 **§ 11–109.2 OF THIS TITLE.**

25 **(D) (1) THE FUND IS A SPECIAL, NONLAPSING FUND THAT IS NOT**
26 **SUBJECT TO § 7–302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.**

27 **(2) THE STATE TREASURER SHALL HOLD THE FUND SEPARATELY,**
28 **AND THE SECRETARY SHALL ACCOUNT FOR THE FUND.**

29 **(E) THE FUND CONSISTS OF:**

30 **(1) MONEY APPROPRIATED IN THE STATE BUDGET TO THE FUND;**

1 **(2) INTEREST EARNINGS OF THE FUND; AND**

2 **(3) ANY OTHER MONEY FROM ANY OTHER SOURCE ACCEPTED FOR**
3 **THE BENEFIT OF THE FUND.**

4 **(F) THE FUND MAY BE USED ONLY TO PROVIDE GRANTS TO LOW-INCOME**
5 **UNIT OWNERS TO COVER INCREASED ASSESSMENTS NECESSARY TO MEET THE**
6 **REQUIRED RESERVES OF THE CONDOMINIUM.**

7 **(G) (1) THE STATE TREASURER SHALL INVEST THE MONEY OF THE FUND**
8 **IN THE SAME MANNER AS OTHER STATE MONEY MAY BE INVESTED.**

9 **(2) ANY INTEREST EARNINGS OF THE FUND SHALL BE CREDITED TO**
10 **THE FUND.**

11 **(H) EXPENDITURES FROM THE FUND MAY BE MADE ONLY IN ACCORDANCE**
12 **WITH THE STATE BUDGET.**

13 **(I) (1) THE SECRETARY SHALL:**

14 **(I) ADMINISTER THE FUND AND AWARD GRANTS FROM THE**
15 **FUND TO ELIGIBLE LOW-INCOME UNIT OWNERS;**

16 **(II) ESTABLISH PROCEDURES FOR LOW-INCOME UNIT OWNERS**
17 **TO APPLY FOR AND RECEIVE GRANTS FROM THE FUND; AND**

18 **(III) PUBLICIZE THE FUND AND THE APPLICATION PROCESS FOR**
19 **THE FUND.**

20 **(2) PRIORITY FOR GRANTS AWARDED UNDER THIS SECTION SHALL BE**
21 **GIVEN TO LOW-INCOME UNIT OWNERS WHO ARE AT LEAST 65 YEARS OLD.**

22 **(3) BY DECEMBER 31 EACH YEAR, LOW-INCOME UNIT OWNERS WHO**
23 **RECEIVE GRANTS FROM THE FUND SHALL REPORT TO THE DEPARTMENT**
24 **REGARDING THE RESERVE ACCOUNT BALANCE IN A MANNER DETERMINED BY THE**
25 **DEPARTMENT.**

26 **(J) MONEY EXPENDED FROM THE FUND SHALL BE SUPPLEMENTAL TO AND**
27 **IS NOT INTENDED TO TAKE THE PLACE OF FUNDING THAT OTHERWISE WOULD BE**
28 **APPROPRIATED FOR A UNIT OWNER TO PAY FOR INCREASED ASSESSMENTS AGAINST**
29 **THE OWNER TO MEET THE INCREASED RESERVE ACCOUNT AMOUNT REQUIRED**
30 **UNDER § 11-109.2 OF THIS TITLE.**

1 **Article – State Finance and Procurement**

2 6–226.

3 (a) (2) (i) Notwithstanding any other provision of law, and unless
4 inconsistent with a federal law, grant agreement, or other federal requirement or with the
5 terms of a gift or settlement agreement, net interest on all State money allocated by the
6 State Treasurer under this section to special funds or accounts, and otherwise entitled to
7 receive interest earnings, as accounted for by the Comptroller, shall accrue to the General
8 Fund of the State.

9 (ii) The provisions of subparagraph (i) of this paragraph do not apply
10 to the following funds:

11 189. the Teacher Retention and Development Fund; [and]

12 190. the Protecting Against Hate Crimes Grant Fund; AND

13 **191. THE INSUFFICIENT CONDOMINIUM RESERVE**
14 **ACCOUNT GRANT FUND.**

15 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
16 October 1, 2024.