

HOUSE BILL 1402

N1

8lr1787

By: **Delegate Valderrama**

Introduced and read first time: February 8, 2008

Assigned to: Environmental Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Condominiums - Annual Proposed Budget - Required Form and Information**

3 FOR the purpose of requiring an annual proposed budget submitted to a council of
4 unit owners of a condominium to include certain information reasonably
5 necessary for the informed adoption of the annual budget; requiring certain
6 information to be provided for each item included in the budget; and generally
7 relating to the form and contents of an annual proposed budget of a
8 condominium.

9 BY repealing and reenacting, with amendments,
10 Article - Real Property
11 Section 11-109.2
12 Annotated Code of Maryland
13 (2003 Replacement Volume and 2007 Supplement)

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

16 **Article - Real Property**

17 11-109.2.

18 (a) The council of unit owners shall cause to be prepared and submitted to
19 the unit owners an annual proposed budget at least 30 days before its adoption.

20 (b) The annual budget shall provide for at least the following items:

21 (1) Income;

22 (2) Administration;

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



- 1 (3) Maintenance;
- 2 (4) Utilities;
- 3 (5) General expenses;
- 4 (6) Reserves; [and]
- 5 (7) Capital items; AND

6 (8) ANY OTHER INFORMATION REASONABLY NECESSARY FOR THE
7 INFORMED ADOPTION OF THE ANNUAL BUDGET, INCLUDING UNCOLLECTED
8 REVENUE, ANY DEBTS OF THE COUNCIL OF UNIT OWNERS, AND INVESTMENTS.

9 (c) FOR EACH ITEM, THE ANNUAL BUDGET SHALL PROVIDE:

10 (1) A TOTAL OF THE ACTUAL EXPENDITURES OR INCOME TO DATE
11 FOR THE CURRENT FISCAL YEAR; OR

12 (2) IF ACTUAL INFORMATION FOR THE CURRENT FISCAL YEAR IS
13 UNAVAILABLE, AN ESTIMATED TOTAL FOR THE CURRENT FISCAL YEAR.

14 (D) The budget shall be adopted at an open meeting of the council of unit
15 owners or any other body to which the council of unit owners delegates responsibilities
16 for preparing and adopting the budget.

17 [(d)] (E) Any expenditure made other than those made because of
18 conditions which, if not corrected, could reasonably result in a threat to the health or
19 safety of the unit owners or a significant risk of damage to the condominium, that
20 would result in an increase in an amount of assessments for the current fiscal year of
21 the condominium in excess of 15 percent of the budgeted amount previously adopted,
22 shall be approved by an amendment to the budget adopted at a special meeting, upon
23 not less than 10 days written notice to the council of unit owners.

24 [(e)] (F) The adoption of a budget shall not impair the authority of the
25 council of unit owners to obligate the council of unit owners for expenditures for any
26 purpose consistent with any provision of this title.

27 [(f)] (G) The provisions of this section do not apply to a condominium that
28 is occupied and used solely for nonresidential purposes.

29 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
30 October 1, 2008.