

SB0416/198571/2

BY: Judicial Proceedings Committee

AMENDMENT TO SENATE BILL 416
(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in the sponsor line, strike “and Kittleman” and substitute “Kittleman, and Forehand”; in line 3, after “Notice” insert “Information, and Adoption”; in line 8, strike “members” and substitute “lot owners”; in line 9, after “adoption;” insert “authorizing the proposed annual budget to be submitted in a certain manner; requiring the budget to include certain items; requiring the budget to be adopted at an open meeting of the homeowners association or other body to which the homeowners association has delegated responsibilities for preparing and adopting a budget; requiring that certain expenditures arising after the adoption of the budget that would result in an increase in assessments greater than a certain percentage of the budgeted amount, be approved by a budget amendment at a special meeting of the homeowners association; requiring written notice of the special meeting to be given to the lot owners by a certain time period before the meeting; providing that the adoption of a budget does not impair certain authority of the homeowners association for certain expenditures for certain purposes;”; in line 11, after “association” insert “and providing certain budget information to the lot owners of a homeowners association”; and in line 19, after “(a)” insert “through (e)”.

AMENDMENT NO. 2

On page 6, after line 2, insert:

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

- (1) Income;
- (2) Administration;

(Over)

- (3) Maintenance;
- (4) Utilities;
- (5) General expenses;
- (6) Reserves; and
- (7) Capital items.

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

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

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

AMENDMENT NO. 3

On page 6, in line 6, strike “(4)” and substitute “**(5)**”; in lines 9 and 11, in each instance, strike “members” and substitute “**LOT OWNERS**”; in line 18, strike “AND”; in line 19, after “(II)” insert “**1.**”; in line 21, strike “MEMBERS” and substitute “**LOT OWNERS**”; and after line 22, insert:

“2. THE ANNUAL PROPOSED BUDGET MAY BE SUBMITTED BY ELECTRONIC TRANSMISSION IN ACCORDANCE WITH § 11B-113.1 OF THIS TITLE, BY POSTING ON THE HOMEOWNERS ASSOCIATION WEB PAGE, OR BY PUBLICATION IN THE HOMEOWNERS ASSOCIATION NEWSLETTER;

(III) THE ANNUAL BUDGET SHALL PROVIDE INFORMATION ON OR EXPENDITURES FOR AT LEAST THE FOLLOWING ITEMS:

1. INCOME;
2. ADMINISTRATION;
3. MAINTENANCE;
4. UTILITIES;
5. GENERAL EXPENSES;
6. RESERVES; AND
7. CAPITAL EXPENSES;

(IV) THE BUDGET SHALL BE ADOPTED AT AN OPEN MEETING OF THE HOMEOWNERS ASSOCIATION OR ANY OTHER BODY TO WHICH THE HOMEOWNERS ASSOCIATION DELEGATES RESPONSIBILITIES FOR PREPARING AND ADOPTING THE BUDGET;

(V) EXCEPT FOR AN EXPENDITURE MADE BY THE HOMEOWNERS ASSOCIATION BECAUSE OF A CONDITION THAT, IF NOT

(Over)

CORRECTED, COULD REASONABLY RESULT IN A THREAT TO THE HEALTH OR SAFETY OF THE LOT OWNERS OR A SIGNIFICANT RISK OF DAMAGE TO THE DEVELOPMENT, ANY EXPENDITURE THAT WOULD RESULT IN AN INCREASE IN AN AMOUNT OF ASSESSMENTS FOR THE CURRENT FISCAL YEAR OF THE HOMEOWNERS ASSOCIATION IN EXCESS OF 15% OF THE BUDGETED AMOUNT PREVIOUSLY ADOPTED SHALL BE APPROVED BY AN AMENDMENT TO THE BUDGET ADOPTED AT A SPECIAL MEETING FOR WHICH NOT LESS THAN 10 DAYS WRITTEN NOTICE SHALL BE PROVIDED TO THE LOT OWNERS; AND

(VI) THE ADOPTION OF A BUDGET DOES NOT IMPAIR THE AUTHORITY OF THE HOMEOWNERS ASSOCIATION TO OBLIGATE THE HOMEOWNERS ASSOCIATION FOR EXPENDITURES FOR ANY PURPOSE CONSISTENT WITH ANY PROVISION OF THIS TITLE;”.