

Article - Real Property

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§11-109.2.

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

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

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

(c) (1) Subject to paragraph (2) of this subsection, the reserves provided for in the annual budget under subsection (b) of this section for a residential condominium shall be the funding amount recommended in the most recent reserve study completed under § 11-109.4 of this title.

(2) If the most recent reserve study was an initial reserve study, the governing body shall, within 3 fiscal years following the fiscal year in which the initial reserve study was completed, attain the annual reserve funding level recommended in the initial reserve study.

(d) (1) 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.

(2) (i) The council of unit owners or other governing body of unit owners shall submit the adopted annual budget to the unit owners not more than 30 days after the meeting at which the budget was adopted.

(ii) The adopted annual budget may be submitted to each unit owner by electronic transmission, by posting on the condominium association's home page, or by inclusion in the homeowners association's newsletter.

(e) 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.

(f) 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.

(g) The provisions of this section do not apply to a condominium that is occupied and used solely for nonresidential purposes.

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