

HOUSE BILL 292

N1, C1
HB 281/24 – ENT

5r1629
CF SB 63

By: ~~Delegate Holmes~~ Delegates Holmes, Roberts, Hartman, Allen, Boyce, and Foley

Introduced and read first time: January 9, 2025
Assigned to: Environment and Transportation

Committee Report: Favorable with amendments
House action: Adopted
Read second time: February 25, 2025

CHAPTER _____

1 AN ACT concerning

2 **Cooperative Housing Corporations, Condominiums, and Homeowners**
3 **Associations – Funding of Reserve Accounts and Preparation of Funding Plans**

4 FOR the purpose of ~~requiring that the annual budget of a cooperative housing corporation,~~
5 ~~a residential condominium, or a homeowners association include certain funds;~~
6 requiring that certain funds for the reserve account of a cooperative housing
7 corporation, a residential condominium, or a homeowners association be deposited
8 by a certain day each fiscal year; extending the amount of time after an initial
9 reserve study that a cooperative housing corporation, a residential condominium, or
10 a homeowners association has to obtain a certain recommended reserve funding
11 level; authorizing a cooperative housing corporation, a residential condominium, or
12 a homeowners association to reasonably deviate from certain reserve funding
13 requirements following a certain financial hardship determination by the governing
14 body; requiring that certain updated reserve studies be prepared by a certain person;
15 requiring the governing body of a cooperative housing corporation, a residential
16 condominium, or a homeowners association to review the reserves and the most
17 recent reserve study or updated reserve study annually ~~for accuracy~~ to determine
18 whether there is adequate funding in accordance with a certain funding plan;
19 altering the definition of “reserve study” to provide that the governing body of a
20 cooperative housing corporation, a residential condominium, or a homeowners
21 association may determine a minimum cost of repair or replacement for components,
22 subject to certain restrictions; requiring the governing body of a cooperative housing
23 corporation, a residential condominium, or a homeowners association to prepare a
24 certain funding plan subject to certain requirements; altering a certain provision of

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 law relating to component costs and the application of certain reserve study
 2 requirements to a homeowners association; and generally relating to the funding of
 3 reserve accounts, reserve studies, and annual budgets of cooperative housing
 4 corporations, condominiums, and homeowners associations.

5 BY repealing and reenacting, with amendments,
 6 Article – Corporations and Associations
 7 Section 5–6B–26.1
 8 Annotated Code of Maryland
 9 (2014 Replacement Volume and 2024 Supplement)

10 BY repealing and reenacting, without amendments,
 11 Article – Real Property
 12 Section 11–109.2(b) and 11B–112.2(c)
 13 Annotated Code of Maryland
 14 (2023 Replacement Volume and 2024 Supplement)

15 BY repealing and reenacting, with amendments,
 16 Article – Real Property
 17 Section ~~11–109.2(b) and (e)~~ 11–109.2(c), 11–109.4, ~~11B–112.2(e) and (d)~~
 18 11B–112.2(d), and 11B–112.3
 19 Annotated Code of Maryland
 20 (2023 Replacement Volume and 2024 Supplement)

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

23 Article – Corporations and Associations

24 5–6B–26.1.

25 (a) (1) In this section[, “reserve”] **THE FOLLOWING WORDS HAVE THE**
 26 **MEANINGS INDICATED.**

27 (2) “**RESERVE** study” means a study of the reserves required for future
 28 major repairs and replacement of the common elements of a cooperative housing
 29 corporation that:

30 [(1)] (1) [Identifies] **USING AN ITEMIZED LIST, CLEARLY IDENTIFIES**
 31 each structural, mechanical, electrical, and plumbing component of the common elements
 32 and any other components that ~~are~~:

33 **1. ARE** the responsibility of the cooperative housing
 34 corporation to repair and replace; **AND**

1 **2. IF APPLICABLE, MEET A MINIMUM COST OF REPAIR**
 2 **OR REPLACEMENT, AS DETERMINED BY THE GOVERNING BODY, THAT IS:**

3 **A. REASONABLY BASED ON THE EXPENSES OF THE**
 4 **COOPERATIVE HOUSING CORPORATION; AND**

5 **B. NOT A MINOR EXPENSE THAT IS OTHERWISE**
 6 **ADDRESSED BY THE BUDGET OF THE COOPERATIVE HOUSING CORPORATION;**

7 **[(2)] (II)** States the normal useful life and the estimated remaining useful
 8 life of each identified component;

9 **[(3)] (III)** States the estimated cost of repair or replacement of each
 10 identified component; [and]

11 **[(4)] (IV)** States the estimated annual reserve amount necessary to
 12 accomplish any identified future repair or replacement; AND

13 **(V) STATES THE ~~SQUARE FOOTAGE~~ QUANTITY OR SIZE OF EACH**
 14 **IDENTIFIED COMPONENT USING THE APPROPRIATE MEASUREMENT, SUCH AS UNIT**
 15 **AMOUNT, SQUARE FOOTAGE, OR CUBIC FEET.**

16 **(3) “UPDATED RESERVE STUDY” MEANS, FOR THE COMMON**
 17 **ELEMENTS SINCE THE PRIOR RESERVE STUDY WAS COMPLETED WITHIN THE**
 18 **PREVIOUS 5 YEARS, A STUDY THAT:**

19 **(I) ~~ANALYZES ANY WORK PERFORMED;~~**

20 **~~(II)~~ REVISES REPLACEMENT COST, REMAINING LIFE, AND**
 21 **USEFUL LIFE ESTIMATES; ~~AND~~**

22 **~~(III)~~ IDENTIFIES;**

23 **~~1.~~ (II) ~~WORK~~ ANALYZES WORK PERFORMED AND**
 24 **AMOUNTS SPENT; AND**

25 **~~2.~~ (III) ~~WHETHER~~ IDENTIFIES WHETHER ANY**
 26 **MAINTENANCE CONTRACTS ARE IN PLACE.**

27 (b) (1) This subsection applies only to a cooperative housing corporation
 28 established in:

29 (i) Prince George’s County on or after October 1, 2020;

30 (ii) Montgomery County on or after October 1, 2021; or

1 (iii) Any county other than Prince George's County or Montgomery
2 County on or after October 1, 2022.

3 (2) The governing body of the cooperative housing corporation shall have
4 an independent reserve study completed not less than 30 calendar days before the first
5 meeting of the cooperative housing corporation at which the members other than the owner
6 have a majority of votes in the cooperative housing corporation.

7 (3) The governing body shall have an updated reserve study completed
8 within 5 years after the date of the initial reserve study conducted under paragraph (2) of
9 this subsection, which shall be updated at least every 5 years thereafter.

10 (c) (1) (i) This paragraph applies only to a cooperative housing corporation
11 established in Prince George's County before October 1, 2020.

12 (ii) If the governing body of a cooperative housing corporation has
13 had a reserve study conducted on or after October 1, 2016, the governing body shall have
14 an updated reserve study conducted within 5 years after the date of that reserve study and
15 at least every 5 years thereafter.

16 (iii) If the governing body of a cooperative housing corporation has
17 not had a reserve study conducted on or after October 1, 2016, the governing body shall
18 have a reserve study conducted on or before October 1, 2021, and an updated reserve study
19 at least every 5 years thereafter.

20 (2) (i) This paragraph applies only to a cooperative housing corporation
21 established in Montgomery County before October 1, 2021.

22 (ii) If the governing body of a cooperative housing corporation has
23 had a reserve study conducted on or after October 1, 2017, the governing body shall have
24 an updated reserve study conducted within 5 years after the date of that reserve study and
25 at least every 5 years thereafter.

26 (iii) If the governing body of a cooperative housing corporation has
27 not had a reserve study conducted on or after October 1, 2017, the governing body shall
28 have a reserve study conducted on or before October 1, 2022, and an updated reserve study
29 at least every 5 years thereafter.

30 (3) (i) This paragraph applies to a cooperative housing corporation
31 established in any county other than Prince George's County or Montgomery County before
32 October 1, 2022.

33 (ii) If the governing body of a cooperative housing corporation has
34 had a reserve study conducted on or after October 1, 2018, the governing body shall have
35 an updated reserve study conducted within 5 years after the date of that reserve study and
36 at least every 5 years thereafter.

1 (iii) If the governing body of a cooperative housing corporation has
2 not had a reserve study conducted on or after October 1, 2018, the governing body shall
3 have a reserve study conducted on or before October 1, 2023, and an updated reserve study
4 at least every 5 years thereafter.

5 (d) Each reserve study **AND UPDATED RESERVE STUDY** required under this
6 section shall:

7 (1) Be prepared by a person who:

8 (i) Has prepared at least 30 reserve studies within the prior 3
9 calendar years;

10 (ii) Has participated in the preparation of at least 30 reserve studies
11 within the prior 3 calendar years while employed by a firm that prepares reserve studies;

12 (iii) Holds a current license from the State Board of Architects or the
13 State Board for Professional Engineers; or

14 (iv) Is currently designated as a reserve specialist by the Community
15 Association Institute or as a professional reserve analyst by the Association of Professional
16 Reserve Analysts;

17 (2) Be available for inspection and copying by any unit owner;

18 (3) Be reviewed by the governing body of the cooperative housing
19 corporation in connection with the preparation of the annual proposed budget; and

20 (4) Be summarized for submission with the annual proposed budget to the
21 unit owners.

22 (e) To the extent that a reserve study conducted in accordance with this section
23 indicates a need to budget for reserves, the budget shall include:

24 (1) For the capital components, the current estimated:

25 (i) Replacement cost ~~IF THE ESTIMATED REPLACEMENT COST IS~~
26 ~~GREATER THAN \$10,000 AS DETERMINED BY THE MOST RECENT RESERVE STUDY OR~~
27 ~~UPDATED RESERVE STUDY;~~

28 (ii) Remaining life; and

29 (iii) Useful life;

30 (2) The amount of accumulated cash reserves set aside for the repair,
31 replacement, or restoration of capital components as of the beginning of the fiscal year in

1 which the reserve study is conducted and the amount of the expected contribution to the
2 reserve fund for the fiscal year;

3 (3) A statement describing the procedures used for estimation and
4 accumulation of cash reserves in accordance with this section; and

5 (4) A statement of the amount of reserves recommended in the study and
6 the amount of current cash for replacement reserves.

7 (f) (1) (i) **1. Subject to PARAGRAPH (2) OF THIS SUBSECTION AND**
8 **subparagraph (ii) of this paragraph, the governing body of a cooperative housing**
9 **corporation shall [provide] DEPOSIT funds to the reserve ACCOUNT in accordance with the**
10 **most recent reserve study OR UPDATED RESERVE STUDY AND THE FUNDING PLAN**
11 **REQUIRED UNDER SUBSECTION (G) OF THIS SECTION ON OR BEFORE THE LAST DAY**
12 **OF EACH FISCAL YEAR and shall review the RESERVES AND THE MOST RECENT**
13 **RESERVE STUDY OR UPDATED reserve study annually ~~for accuracy~~ TO DETERMINE**
14 **WHETHER THERE IS ADEQUATE FUNDING IN ACCORDANCE WITH THE FUNDING PLAN**
15 **REQUIRED UNDER SUBSECTION (G) OF THIS SECTION.**

16 **2. THE ANNUAL REVIEW ~~OF THE RESERVE STUDY FOR~~**
17 **ACCURACY UNDER SUBSUBPARAGRAPH 1 OF THIS SUBPARAGRAPH DOES NOT**
18 **REQUIRE A RESERVE STUDY OR UPDATED RESERVE STUDY IN ADDITION TO THE**
19 **RESERVE STUDY REQUIREMENTS UNDER SUBSECTIONS (B) AND (C) OF THIS**
20 **SECTION.**

21 (ii) **IF SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, IF** the
22 most recent reserve study was an initial reserve study, the governing body shall, within [3]
23 **5** fiscal years following the fiscal year in which the initial reserve study was completed,
24 attain the annual reserve funding level recommended in the initial reserve study **IN**
25 **ACCORDANCE WITH THE FUNDING PLAN UNDER SUBSECTION (G) OF THIS SECTION.**

26 (2) (I) **THE GOVERNING BODY OF A COOPERATIVE HOUSING**
27 **CORPORATION MAY DETERMINE BY A TWO-THIRDS MAJORITY VOTE THAT THE**
28 **COOPERATIVE HOUSING CORPORATION AND THE MEMBERS ARE EXPERIENCING A**
29 **FINANCIAL HARDSHIP THAT LIMITS THE ABILITY TO FUND RESERVES THAT ARE**
30 **REQUIRED UNDER PARAGRAPH (1)(I) OR (II) OF THIS SUBSECTION.**

31 (II) **SUBJECT TO SUBPARAGRAPHS (III) THROUGH (V) OF THIS**
32 **PARAGRAPH, IF A GOVERNING BODY MAKES A FINANCIAL HARDSHIP**
33 **DETERMINATION BASED ON THE RESERVE FUNDING REQUIREMENTS OF**
34 **PARAGRAPH (1)(I) OR (II) OF THIS SUBSECTION:**

35 **1. THE COOPERATIVE HOUSING CORPORATION MAY**
36 **REASONABLY DEVIATE FROM THAT RESERVE FUNDING REQUIREMENT; AND**

1 **2. THE FUNDING LEVEL UNDER THAT REQUIREMENT**
2 **SHALL BE AT LEAST THE FUNDING AMOUNT NECESSARY FOR THE PURPOSES**
3 **SPECIFIED UNDER SUBSECTION (G)(3) OF THIS SECTION.**

4 **(III) 1. EXCEPT AS PROVIDED IN SUBSUBPARAGRAPH 2 OF**
5 **THIS SUBPARAGRAPH, A COOPERATIVE HOUSING CORPORATION MAY NOT DEVIATE**
6 **FROM THE RESERVE FUNDING REQUIREMENTS OF PARAGRAPH (1)(I) OR (II) OF THIS**
7 **SUBSECTION FOR A PERIOD OF MORE THAN 1 FISCAL YEAR FOLLOWING THE**
8 **FINANCIAL HARDSHIP DETERMINATION.**

9 **2. THE GOVERNING BODY MAY RENEW A FINANCIAL**
10 **HARDSHIP DETERMINATION UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH BY A**
11 **TWO-THIRDS MAJORITY VOTE TO EXTEND THE PERIOD THAT A COOPERATIVE**
12 **HOUSING CORPORATION MAY DEVIATE FROM THE RESERVE FUNDING**
13 **REQUIREMENT BY 1 FISCAL YEAR FOLLOWING THE RENEWAL.**

14 **(IV) THE GOVERNING BODY SHALL:**

15 **1. MAKE GOOD FAITH EFFORTS TO RESOLVE THE**
16 **FINANCIAL HARDSHIP AND RESUME FUNDING RESERVES AS REQUIRED UNDER**
17 **PARAGRAPH (1)(I) OR (II) OF THIS SUBSECTION;**

18 **2. MAINTAIN DETAILED DOCUMENTATION OF THE GOOD**
19 **FAITH EFFORTS MADE UNDER ITEM 1 OF THIS SUBPARAGRAPH; AND**

20 **3. TREAT THE DOCUMENTS UNDER ITEM 2 OF THIS**
21 **SUBPARAGRAPH AS RECORDS FOR EXAMINATION AND COPYING UNDER § 5-6B-26**
22 **OF THIS SUBTITLE.**

23 **(V) 1. ALL MEMBERS SHALL BE GIVEN REASONABLE NOTICE**
24 **IN ADVANCE OF A VOTE ON AN INITIAL OR A RENEWAL OF A FINANCIAL HARDSHIP**
25 **DETERMINATION UNDER THIS PARAGRAPH.**

26 **2. A VOTE ON AN INITIAL OR A RENEWAL OF A FINANCIAL**
27 **HARDSHIP DETERMINATION UNDER THIS PARAGRAPH MAY BE TAKEN ONLY AT A**
28 **REGULAR OR SPECIAL MEETING OF THE COOPERATIVE HOUSING CORPORATION.**

29 **(3)** The governing body of a cooperative housing corporation has the
30 authority to increase an assessment levied to cover the reserve funding amount required
31 under this section, notwithstanding any provision of the articles of incorporation, bylaws,
32 or proprietary lease restricting assessment increases or capping the assessment that may
33 be levied in a fiscal year.

1 (G) (1) THE GOVERNING BODY OF A COOPERATIVE HOUSING
 2 CORPORATION SHALL, IN CONSULTATION WITH A PERSON IDENTIFIED UNDER
 3 SUBSECTION (D)(1) OF THIS SECTION, DEVELOP A FUNDING PLAN TO DETERMINE
 4 HOW TO ~~FULLY~~ FUND THE RESERVES NECESSARY UNDER THIS SECTION.

5 (2) IN DEVELOPING THE FUNDING PLAN UNDER THIS SUBSECTION,
 6 THE GOVERNING BODY SHALL ~~CONSIDER~~ SELECT ONE OF THE FOLLOWING
 7 METHODS TO ACHIEVE THE RESERVE FUNDING UNDER THIS SECTION:

8 (I) THE COMPONENT ~~OR FULL FUNDING~~ METHOD;

9 (II) THE CASH FLOW METHOD;

10 (III) THE BASELINE FUNDING METHOD;

11 (IV) THE THRESHOLD CASH FLOW METHOD; ~~AND OR~~

12 (V) ~~OTHER FUNDING METHODS ACCEPTED BY ANY OTHER~~
 13 FUNDING METHOD CONSISTENT WITH GENERALLY ACCEPTED ACCOUNTING
 14 PRINCIPLES.

15 (3) A FUNDING PLAN DEVELOPED UNDER THIS SUBSECTION SHALL
 16 PRIORITIZE ADEQUATE AMOUNTS FOR REPAIR AND REPLACEMENT OF COMMON
 17 ELEMENTS OF THE COOPERATIVE HOUSING CORPORATION THAT ARE NECESSARY
 18 FOR:

19 (I) THE HEALTH, SAFETY, AND WELL-BEING OF THE ~~MEMBERS~~
 20 OCCUPANTS;

21 (II) ENSURING STRUCTURAL INTEGRITY, SUCH AS ROOFING
 22 REPLACEMENTS AND MAINTAINING STRUCTURAL SYSTEMS; ~~AND~~

23 (III) ESSENTIAL FUNCTIONING, SUCH AS PLUMBING, SEWER,
 24 HEATING, COOLING, AND ELECTRICAL INFRASTRUCTURE; AND

25 (IV) ANY OTHER ESSENTIAL OR CRITICAL PURPOSE, AS
 26 DETERMINED BY THE GOVERNING BODY.

27 (4) RESERVES MAY NOT BE USED FOR PURPOSES OTHER THAN THOSE
 28 SPECIFIED IN THE FUNDING PLAN.

29 (5) A GOVERNING BODY SHALL REVIEW PROGRESS TOWARD
 30 COMPLIANCE WITH THE FUNDING PLAN DEVELOPED UNDER THIS SUBSECTION AT
 31 EACH ANNUAL MEETING OF THE GOVERNING BODY.

1 **Article – Real Property**

2 11–109.2.

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

4 (1) Income;

5 (2) Administration;

6 (3) Maintenance;

7 (4) Utilities;

8 (5) General expenses;

9 (6) Reserves, ~~INCLUDING REPLACEMENT COSTS IF THE ESTIMATED~~
 10 ~~REPLACEMENT COST IS GREATER THAN \$10,000 AS DETERMINED BY THE MOST~~
 11 ~~RECENT RESERVE STUDY OR UPDATED RESERVE STUDY;~~ and

12 (7) Capital items.

13 (c) (1) Subject to ~~paragraph (2)~~ **PARAGRAPHS (2) AND (3)** of this subsection
 14 **AND IN ACCORDANCE WITH THE FUNDING PLAN UNDER § 11–109.4(F) OF THIS TITLE,**
 15 the reserves provided for in the annual budget under subsection (b) of this section for a
 16 residential condominium shall [be]:

17 (I) **BE** the funding amount recommended in the most recent reserve
 18 study **OR UPDATED RESERVE STUDY** completed under § 11–109.4 of this title; **AND**

19 (II) **BE DEPOSITED IN THE RESERVE ACCOUNT ON OR BEFORE**
 20 **THE LAST DAY OF EACH FISCAL YEAR.**

21 (2) ~~IF~~ **SUBJECT TO PARAGRAPH (3) OF THIS SUBSECTION, IF** the most
 22 recent reserve study was an initial reserve study, the governing body shall, within [3] **5**
 23 fiscal years following the fiscal year in which the initial reserve study was completed, attain
 24 the annual reserve funding level recommended in the initial reserve study **IN**
 25 **ACCORDANCE WITH THE FUNDING PLAN UNDER § 11–109.4(F) OF THIS TITLE.**

26 (3) (1) **THE GOVERNING BODY OF A RESIDENTIAL CONDOMINIUM**
 27 **MAY DETERMINE BY A TWO–THIRDS MAJORITY VOTE THAT THE CONDOMINIUM AND**
 28 **THE UNIT OWNERS ARE EXPERIENCING A FINANCIAL HARDSHIP THAT LIMITS THE**
 29 **ABILITY TO FUND RESERVES THAT ARE REQUIRED UNDER PARAGRAPH (1) OR (2) OF**
 30 **THIS SUBSECTION.**

1 (II) SUBJECT TO SUBPARAGRAPHS (III) THROUGH (V) OF THIS
2 PARAGRAPH, IF A GOVERNING BODY MAKES A FINANCIAL HARDSHIP
3 DETERMINATION BASED ON THE RESERVE FUNDING REQUIREMENTS OF
4 PARAGRAPH (1) OR (2) OF THIS SUBSECTION:

5 1. THE CONDOMINIUM MAY REASONABLY DEVIATE
6 FROM THAT RESERVE FUNDING REQUIREMENT; AND

7 2. THE FUNDING LEVEL UNDER THAT REQUIREMENT
8 SHALL BE AT LEAST THE FUNDING AMOUNT NECESSARY FOR THE PURPOSES
9 SPECIFIED UNDER § 11-109.4(F)(3) OF THIS TITLE.

10 (III) 1. EXCEPT AS PROVIDED IN SUBSUBPARAGRAPH 2 OF
11 THIS SUBPARAGRAPH, A RESIDENTIAL CONDOMINIUM MAY NOT DEVIATE FROM THE
12 RESERVE FUNDING REQUIREMENTS OF PARAGRAPH (1) OR (2) OF THIS SUBSECTION
13 FOR A PERIOD OF MORE THAN 1 FISCAL YEAR FOLLOWING THE FINANCIAL
14 HARDSHIP DETERMINATION.

15 2. THE GOVERNING BODY MAY RENEW A FINANCIAL
16 HARDSHIP DETERMINATION UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH BY A
17 TWO-THIRDS MAJORITY VOTE TO EXTEND THE PERIOD THAT A RESIDENTIAL
18 CONDOMINIUM MAY DEVIATE FROM THE RESERVE FUNDING REQUIREMENT BY 1
19 FISCAL YEAR FOLLOWING THE RENEWAL.

20 (IV) THE GOVERNING BODY SHALL:

21 1. MAKE GOOD FAITH EFFORTS TO RESOLVE THE
22 FINANCIAL HARDSHIP AND RESUME FUNDING RESERVES AS REQUIRED UNDER
23 PARAGRAPH (1) OR (2) OF THIS SUBSECTION;

24 2. MAINTAIN DETAILED DOCUMENTATION OF THE GOOD
25 FAITH EFFORTS MADE UNDER ITEM 1 OF THIS SUBPARAGRAPH; AND

26 3. TREAT THE DOCUMENTS UNDER ITEM 2 OF THIS
27 SUBPARAGRAPH AS RECORDS AVAILABLE FOR EXAMINATION AND COPYING UNDER
28 § 11-116 OF THIS TITLE.

29 (V) 1. ALL UNIT OWNERS SHALL BE GIVEN REASONABLE
30 NOTICE IN ADVANCE OF A VOTE ON AN INITIAL OR A RENEWAL OF A FINANCIAL
31 HARDSHIP DETERMINATION UNDER THIS PARAGRAPH.

1 **2. A VOTE ON AN INITIAL OR A RENEWAL OF A FINANCIAL**
 2 **HARDSHIP DETERMINATION UNDER THIS PARAGRAPH MAY BE TAKEN ONLY AT A**
 3 **REGULAR OR SPECIAL MEETING OF THE CONDOMINIUM.**

4 **(4) (I) ~~A~~ THE GOVERNING BODY OF A RESIDENTIAL CONDOMINIUM**
 5 **SHALL ANNUALLY REVIEW THE ~~RESERVE STUDY ANNUALLY FOR ACCURACY~~**
 6 **RESERVES AND THE MOST RECENT RESERVE STUDY OR UPDATED RESERVE STUDY**
 7 **TO DETERMINE WHETHER THERE IS ADEQUATE FUNDING IN ACCORDANCE WITH THE**
 8 **FUNDING PLAN REQUIRED UNDER § 11-109.4(F) OF THIS TITLE.**

9 **(II) THE ANNUAL REVIEW ~~OF THE RESERVE STUDY FOR~~**
 10 **ACCURACY UNDER THIS PARAGRAPH DOES NOT REQUIRE A RESERVE STUDY OR**
 11 **UPDATED RESERVE STUDY IN ADDITION TO THE RESERVE STUDY REQUIREMENTS**
 12 **UNDER § 11-109.4 OF THIS TITLE.**

13 11-109.4.

14 (a) **(1)** In this section[, “reserve”] **THE FOLLOWING WORDS HAVE THE**
 15 **MEANINGS INDICATED.**

16 **(2) “RESERVE study” means a study of the reserves required for future**
 17 **major repairs and replacement of the common elements of a condominium that:**

18 **[(1)] (I) [Identifies] USING AN ITEMIZED LIST, IDENTIFIES each**
 19 **structural, mechanical, electrical, and plumbing component of the common elements and**
 20 **any other components that ~~are~~:**

21 **1. ARE** the responsibility of the council of unit owners to
 22 repair and replace; **AND**

23 **2. IF APPLICABLE, MEET A MINIMUM COST OF REPAIR**
 24 **OR REPLACEMENT, AS DETERMINED BY THE GOVERNING BODY, THAT IS:**

25 **A. REASONABLY BASED ON THE EXPENSES OF THE**
 26 **CONDOMINIUM; AND**

27 **B. NOT A MINOR EXPENSE THAT IS OTHERWISE**
 28 **ADDRESSED BY THE BUDGET OF THE CONDOMINIUM;**

29 **[(2)] (II)** States the normal useful life and the estimated remaining useful
 30 life of each identified component;

31 **[(3)] (III)** States the estimated cost of repair or replacement of each
 32 identified component; [and]

1 [(4)] (IV) States the estimated annual reserve amount necessary to
2 accomplish any identified future repair or replacement; AND

3 (V) ~~STATES THE SQUARE FOOTAGE QUANTITY OR SIZE OF EACH~~
4 ~~IDENTIFIED COMPONENT USING THE APPROPRIATE MEASUREMENT, SUCH AS UNIT~~
5 ~~AMOUNT, SQUARE FOOTAGE, OR CUBIC FEET.~~

6 (3) “UPDATED RESERVE STUDY” MEANS, FOR THE COMMON
7 ELEMENTS SINCE THE PRIOR RESERVE STUDY WAS COMPLETED WITHIN THE
8 PREVIOUS 5 YEARS, A STUDY THAT:

9 (I) ~~ANALYZES ANY WORK PERFORMED;~~

10 ~~(II) REVISES REPLACEMENT COST, REMAINING LIFE, AND~~
11 ~~USEFUL LIFE ESTIMATES; AND~~

12 ~~(III) IDENTIFIES:~~

13 ~~1. (II) WORK ANALYZES WORK PERFORMED AND~~
14 ~~AMOUNTS SPENT; AND~~

15 ~~2. (III) WHETHER IDENTIFIES WHETHER ANY~~
16 ~~MAINTENANCE CONTRACTS ARE IN PLACE.~~

17 (b) This section applies only to a residential condominium.

18 (c) (1) This subsection applies only to a condominium established in:

19 (i) Prince George’s County on or after October 1, 2020;

20 (ii) Montgomery County on or after October 1, 2021; or

21 (iii) Any county other than Prince George’s County or Montgomery
22 County on or after October 1, 2022.

23 (2) The governing body of the condominium shall have an independent
24 reserve study completed not less than 30 calendar days before the meeting of the council of
25 unit owners required under § 11–109(c)(16) of this title.

26 (3) The governing body shall have an updated reserve study completed
27 within 5 years after the date of the initial reserve study conducted under paragraph (2) of
28 this subsection and at least every 5 years thereafter.

29 (d) (1) (i) This paragraph applies only to a condominium established in
30 Prince George’s County before October 1, 2020.

1 (ii) If the governing body of a condominium has had a reserve study
2 conducted on or after October 1, 2016, the governing body shall have an updated reserve
3 study conducted within 5 years after the date of that reserve study and at least every 5
4 years thereafter.

5 (iii) If the governing body of a condominium has not had a reserve
6 study conducted on or after October 1, 2016, the governing body shall have a reserve study
7 conducted on or before October 1, 2021, and an updated reserve study at least every 5 years
8 thereafter.

9 (2) (i) This paragraph applies only to a condominium established in
10 Montgomery County before October 1, 2021.

11 (ii) If the governing body of a condominium has had a reserve study
12 conducted on or after October 1, 2017, the governing body shall have an updated reserve
13 study conducted within 5 years after the date of that reserve study and at least every 5
14 years thereafter.

15 (iii) If the governing body of a condominium has not had a reserve
16 study conducted on or after October 1, 2017, the governing body shall have a reserve study
17 conducted on or before October 1, 2022, and an updated reserve study at least every 5 years
18 thereafter.

19 (3) (i) This paragraph applies only to a condominium established in any
20 county other than Prince George’s County or Montgomery County before October 1, 2022.

21 (ii) If the governing body of a condominium has had a reserve study
22 conducted on or after October 1, 2018, the governing body shall have an updated reserve
23 study conducted within 5 years after the date of that reserve study and at least every 5
24 years thereafter.

25 (iii) If the governing body of a condominium has not had a reserve
26 study conducted on or after October 1, 2018, the governing body shall have a reserve study
27 conducted on or before October 1, 2023, and an updated reserve study at least every 5 years
28 thereafter.

29 (e) Each reserve study **AND UPDATED RESERVE STUDY** required under this
30 section shall:

31 (1) Be prepared by a person who:

32 (i) Has prepared at least 30 reserve studies within the prior 3
33 calendar years;

34 (ii) Has participated in the preparation of at least 30 reserve studies
35 within the prior 3 calendar years while employed by a firm that prepares reserve studies;

1 (iii) Holds a current license from the State Board of Architects or the
2 State Board for Professional Engineers; or

3 (iv) Is currently designated as a reserve specialist by the Community
4 Association Institute or as a professional reserve analyst by the Association of Professional
5 Reserve Analysts;

6 (2) Be available for inspection and copying by any unit owner;

7 (3) Be reviewed by the governing body of the condominium in connection
8 with the preparation of the annual proposed budget; and

9 (4) Be summarized for submission with the annual proposed budget to the
10 unit owners.

11 **(F) (1) THE GOVERNING BODY OF A CONDOMINIUM SHALL, IN**
12 **CONSULTATION WITH A PERSON IDENTIFIED UNDER SUBSECTION (E)(1) OF THIS**
13 **SECTION, DEVELOP A FUNDING PLAN TO DETERMINE HOW TO ~~FULLY~~ FUND THE**
14 **RESERVES NECESSARY UNDER THIS SECTION.**

15 **(2) IN DEVELOPING THE FUNDING PLAN UNDER THIS SUBSECTION,**
16 **THE GOVERNING BODY SHALL ~~CONSIDER~~ SELECT ONE OF THE FOLLOWING**
17 **METHODS TO ACHIEVE THE RESERVE FUNDING UNDER THIS SECTION:**

18 **(I) THE COMPONENT ~~OR FULL FUNDING~~ METHOD;**

19 **(II) THE CASH FLOW METHOD;**

20 **(III) THE BASELINE FUNDING METHOD;**

21 **(IV) THE THRESHOLD CASH FLOW METHOD; ~~AND OR~~**

22 **(V) ~~OTHER FUNDING METHODS ACCEPTED BY ANY OTHER~~**
23 **FUNDING METHOD CONSISTENT WITH GENERALLY ACCEPTED ACCOUNTING**
24 **PRINCIPLES.**

25 **(3) A FUNDING PLAN DEVELOPED UNDER THIS SUBSECTION SHALL**
26 **PRIORITIZE ADEQUATE AMOUNTS FOR REPAIR AND REPLACEMENT OF COMMON**
27 **ELEMENTS OF THE CONDOMINIUM THAT ARE NECESSARY FOR:**

28 **(I) THE HEALTH, SAFETY, AND WELL-BEING OF THE ~~MEMBERS~~**
29 **OCCUPANTS;**

1 (II) ENSURING STRUCTURAL INTEGRITY, SUCH AS ROOFING
2 REPLACEMENTS AND MAINTAINING STRUCTURAL SYSTEMS; ~~AND~~

3 (III) ESSENTIAL FUNCTIONING, SUCH AS PLUMBING, SEWER,
4 HEATING, COOLING, AND ELECTRICAL INFRASTRUCTURE; AND

5 (IV) ANY OTHER ESSENTIAL OR CRITICAL PURPOSE, AS
6 DETERMINED BY THE GOVERNING BODY.

7 (4) RESERVES MAY NOT BE USED FOR PURPOSES OTHER THAN THOSE
8 SPECIFIED IN THE FUNDING PLAN.

9 (5) A GOVERNING BODY SHALL REVIEW PROGRESS TOWARD
10 COMPLIANCE WITH THE FUNDING PLAN DEVELOPED UNDER THIS SUBSECTION AT
11 EACH ANNUAL MEETING OF THE GOVERNING BODY.

12 11B-112.2.

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

14 (1) Income;

15 (2) Administration;

16 (3) Maintenance;

17 (4) Utilities;

18 (5) General expenses;

19 (6) Reserves, ~~INCLUDING REPLACEMENT COSTS IF THE ESTIMATED~~
20 ~~REPLACEMENT COST IS GREATER THAN \$10,000 AS DETERMINED BY THE MOST~~
21 ~~RECENT RESERVE STUDY OR UPDATED RESERVE STUDY;~~ and

22 (7) Capital expenses.

23 (d) (1) Subject to ~~paragraph (2)~~ PARAGRAPHS (2) AND (3) of this subsection
24 AND IN ACCORDANCE WITH THE FUNDING PLAN UNDER § 11B-112.3(F) OF THIS
25 TITLE, reserves provided for in the annual budget under subsection (c) of this section shall
26 [be]:

27 (I) BE the funding amount recommended in the most recent reserve
28 study OR UPDATED RESERVE STUDY completed under § 11B-112.3 of this title; AND

1 (II) BE DEPOSITED IN THE RESERVE ACCOUNT ON OR BEFORE
2 THE LAST DAY OF EACH FISCAL YEAR.

3 (2) ~~IF~~ SUBJECT TO PARAGRAPH (3) OF THIS SUBSECTION, IF the most
4 recent reserve study was an initial reserve study, the governing body shall, within [3] 5
5 fiscal years following the fiscal year in which the initial reserve study was completed, attain
6 the annual reserve funding level recommended in the initial reserve study IN
7 ACCORDANCE WITH THE FUNDING PLAN UNDER § 11B-112.3(F) OF THIS TITLE.

8 (3) (I) THE GOVERNING BODY OF A HOMEOWNERS ASSOCIATION
9 MAY DETERMINE BY A TWO-THIRDS MAJORITY VOTE THAT THE HOMEOWNERS
10 ASSOCIATION AND THE LOT OWNERS ARE EXPERIENCING A FINANCIAL HARDSHIP
11 THAT LIMITS THE ABILITY TO FUND RESERVES THAT ARE REQUIRED UNDER
12 PARAGRAPH (1) OR (2) OF THIS SUBSECTION.

13 (II) SUBJECT TO SUBPARAGRAPHS (III) THROUGH (V) OF THIS
14 PARAGRAPH, IF A GOVERNING BODY MAKES A FINANCIAL HARDSHIP
15 DETERMINATION BASED ON THE RESERVE FUNDING REQUIREMENTS OF
16 PARAGRAPH (1) OR (2) OF THIS SUBSECTION:

17 1. THE HOMEOWNERS ASSOCIATION MAY REASONABLY
18 DEVIATE FROM THAT RESERVE FUNDING REQUIREMENT; AND

19 2. THE FUNDING LEVEL UNDER THAT REQUIREMENT
20 SHALL BE AT LEAST THE FUNDING AMOUNT NECESSARY FOR THE PURPOSES
21 SPECIFIED UNDER § 11B-112.3(F)(3) OF THIS TITLE.

22 (III) 1. EXCEPT AS PROVIDED IN SUBSUBPARAGRAPH 2 OF
23 THIS SUBPARAGRAPH, A HOMEOWNERS ASSOCIATION MAY NOT DEVIATE FROM THE
24 RESERVE FUNDING REQUIREMENTS OF PARAGRAPH (1) OR (2) OF THIS SUBSECTION
25 FOR A PERIOD OF MORE THAN 1 FISCAL YEAR FOLLOWING THE FINANCIAL
26 HARDSHIP DETERMINATION.

27 2. THE GOVERNING BODY MAY RENEW A FINANCIAL
28 HARDSHIP DETERMINATION UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH BY A
29 TWO-THIRDS MAJORITY VOTE TO EXTEND THE PERIOD THAT A HOMEOWNERS
30 ASSOCIATION MAY DEVIATE FROM THE RESERVE FUNDING REQUIREMENT BY 1
31 FISCAL YEAR FOLLOWING THE RENEWAL.

32 (IV) THE GOVERNING BODY SHALL:

33 1. MAKE GOOD FAITH EFFORTS TO RESOLVE THE
34 FINANCIAL HARDSHIP AND RESUME FUNDING RESERVES AS REQUIRED UNDER
35 PARAGRAPH (1) OR (2) OF THIS SUBSECTION;

1 **2. MAINTAIN DETAILED DOCUMENTATION OF THE GOOD**
 2 **FAITH EFFORTS MADE UNDER ITEM 1 OF THIS SUBPARAGRAPH; AND**

3 **3. TREAT THE DOCUMENTS UNDER ITEM 2 OF THIS**
 4 **SUBPARAGRAPH AS RECORDS FOR EXAMINATION AND COPYING UNDER § 11B-112**
 5 **OF THIS TITLE.**

6 **(v) 1. ALL LOT OWNERS SHALL BE GIVEN REASONABLE**
 7 **NOTICE IN ADVANCE OF A VOTE ON AN INITIAL OR A RENEWAL OF A FINANCIAL**
 8 **HARDSHIP DETERMINATION UNDER THIS PARAGRAPH.**

9 **2. A VOTE ON AN INITIAL OR A RENEWAL OF A FINANCIAL**
 10 **HARDSHIP DETERMINATION UNDER THIS PARAGRAPH MAY ONLY BE TAKEN AT A**
 11 **REGULAR OR SPECIAL MEETING OF THE HOMEOWNERS ASSOCIATION.**

12 **(4) (i) ~~A~~ THE GOVERNING BODY OF A HOMEOWNERS ASSOCIATION**
 13 **SHALL ANNUALLY REVIEW THE ~~RESERVE STUDY ANNUALLY FOR ACCURACY~~**
 14 **RESERVES AND THE MOST RECENT RESERVE STUDY OR UPDATED RESERVE STUDY**
 15 **TO DETERMINE WHETHER THERE IS ADEQUATE FUNDING IN ACCORDANCE WITH THE**
 16 **FUNDING PLAN REQUIRED UNDER § 11B-112.3(F) OF THIS TITLE.**

17 **(ii) THE ANNUAL REVIEW ~~OF THE RESERVE STUDY FOR~~**
 18 **ACCURACY UNDER THIS PARAGRAPH DOES NOT REQUIRE A RESERVE STUDY OR**
 19 **UPDATED RESERVE STUDY IN ADDITION TO THE RESERVE STUDY REQUIREMENTS**
 20 **UNDER § 11B-112.3 OF THIS TITLE.**

21 11B-112.3.

22 **(a) (1) In this section[, “reserve”] THE FOLLOWING WORDS HAVE THE**
 23 **MEANINGS INDICATED.**

24 **(2) “RESERVE study” means a study of the reserves required for future**
 25 **major repairs and replacement of the common areas of a homeowners association that:**

26 **[(1)] (i) [Identifies] USING AN ITEMIZED LIST, IDENTIFIES each**
 27 **structural, mechanical, electrical, and plumbing component of the common areas and any**
 28 **other components that ~~are~~:**

29 **1. ARE the responsibility of the homeowners association to**
 30 **repair and replace; AND**

31 **2. IF APPLICABLE, MEET A MINIMUM COST OF REPAIR**
 32 **OR REPLACEMENT, AS DETERMINED BY THE GOVERNING BODY, THAT IS:**

1 A. REASONABLY BASED ON THE EXPENSES OF THE
 2 HOMEOWNERS ASSOCIATION; AND

3 B. NOT A MINOR EXPENSE THAT IS OTHERWISE
 4 ADDRESSED BY THE BUDGET OF THE HOMEOWNERS ASSOCIATION;

5 [(2)] (II) States the estimated remaining useful life of each identified
 6 component;

7 [(3)] (III) States the estimated cost of repair or replacement of each
 8 identified component; [and]

9 [(4)] (IV) States the estimated annual reserve amount necessary to
 10 accomplish any identified future repair or replacement; AND

11 (V) STATES THE SQUARE FOOTAGE QUANTITY OR SIZE OF EACH
 12 IDENTIFIED COMPONENT USING THE APPROPRIATE MEASUREMENT, SUCH AS UNIT
 13 AMOUNT, SQUARE FOOTAGE, OR CUBIC FEET.

14 (3) "UPDATED RESERVE STUDY" MEANS, FOR THE COMMON
 15 ~~ELEMENTS AREAS~~ SINCE THE PRIOR RESERVE STUDY WAS COMPLETED WITHIN THE
 16 PREVIOUS 5 YEARS, A STUDY THAT:

17 (I) ~~ANALYZES ANY WORK PERFORMED;~~

18 ~~(II) REVISES REPLACEMENT COST, REMAINING LIFE, AND~~
 19 ~~USEFUL LIFE ESTIMATES; AND~~

20 ~~(III) IDENTIFIES:~~

21 ~~1. (II) WORK ANALYZES WORK PERFORMED AND~~
 22 ~~AMOUNTS SPENT; AND~~

23 ~~2. (III) WHETHER IDENTIFIES WHETHER ANY~~
 24 ~~MAINTENANCE CONTRACTS ARE IN PLACE.~~

25 (b) (1) This section applies only to a homeowners association:

26 (i) That has responsibility under its declaration for maintaining and
 27 repairing common areas; and

28 (ii) For which the total ~~initial purchase and installation~~ REPAIR OR
 29 REPLACEMENT costs for all components identified in subsection [(a)(1)] (A) of this section
 30 is at least \$10,000.

1 (2) This section does not apply to a homeowners association that issues
2 bonds for the purpose of meeting capital expenditures.

3 (c) (1) This subsection applies only to a homeowners association established
4 in:

5 (i) Prince George's County on or after October 1, 2020;

6 (ii) Montgomery County on or after October 1, 2021; or

7 (iii) Any county other than Prince George's County or Montgomery
8 County on or after October 1, 2022.

9 (2) The governing body of the homeowners association shall have an
10 independent reserve study completed not more than 90 calendar days and not less than 30
11 calendar days before the meeting of the homeowners association required under §
12 11B-106.1(a) of this title.

13 (3) The governing body shall have an updated reserve study completed
14 within 5 years after the date of the initial reserve study conducted under paragraph (2) of
15 this subsection and at least every 5 years thereafter.

16 (d) (1) (i) This paragraph applies only to a homeowners association
17 established in Prince George's County before October 1, 2020.

18 (ii) If the governing body of a homeowners association has had a
19 reserve study conducted on or after October 1, 2016, the governing body shall have an
20 updated reserve study conducted within 5 years after the date of that reserve study and at
21 least every 5 years thereafter.

22 (iii) If the governing body of a homeowners association has not had a
23 reserve study conducted on or after October 1, 2016, the governing body shall have a reserve
24 study conducted on or before October 1, 2021, and an updated reserve study at least every
25 5 years thereafter.

26 (2) (i) This paragraph applies only to a homeowners association
27 established in Montgomery County before October 1, 2021.

28 (ii) If the governing body of a homeowners association has had a
29 reserve study conducted on or after October 1, 2017, the governing body shall have an
30 updated reserve study conducted within 5 years after the date of that reserve study and at
31 least every 5 years thereafter.

32 (iii) If the governing body of a homeowners association has not had a
33 reserve study conducted on or after October 1, 2017, the governing body shall have a reserve
34 study conducted on or before October 1, 2022, and an updated reserve study at least every
35 5 years thereafter.

1 (3) (i) This paragraph applies only to a homeowners association
2 established in any county other than Prince George's County or Montgomery County before
3 October 1, 2022.

4 (ii) If the governing body of a homeowners association has had a
5 reserve study conducted on or after October 1, 2018, the governing body shall have an
6 updated reserve study conducted within 5 years after the date of that reserve study and at
7 least every 5 years thereafter.

8 (iii) If the governing body of a homeowners association has not had a
9 reserve study conducted on or after October 1, 2018, the governing body shall have a reserve
10 study conducted on or before October 1, 2023, and an updated reserve study at least every
11 5 years thereafter.

12 (e) Each reserve study **AND UPDATED RESERVE STUDY** required under this
13 section shall:

14 (1) Be prepared by a person who:

15 (i) Has prepared at least 30 reserve studies within the prior 3
16 calendar years;

17 (ii) Has participated in the preparation of at least 30 reserve studies
18 within the prior 3 calendar years while employed by a firm that prepares reserve studies;

19 (iii) Holds a current license from the State Board of Architects or the
20 State Board for Professional Engineers; or

21 (iv) Is currently designated as a reserve specialist by the Community
22 Association Institute or as a professional reserve analyst by the Association of Professional
23 Reserve Analysts;

24 (2) Be available for inspection and copying by any lot owner;

25 (3) Be reviewed by the governing body of the homeowners association in
26 connection with the preparation of the annual proposed budget; and

27 (4) Be summarized for submission with the annual proposed budget to the
28 lot owners.

29 **(F) (1) ~~A~~ THE GOVERNING BODY OF A HOMEOWNERS ASSOCIATION**
30 **SHALL, IN CONSULTATION WITH A PERSON IDENTIFIED UNDER SUBSECTION (E)(1)**
31 **OF THIS SECTION, DEVELOP A FUNDING PLAN TO DETERMINE HOW TO ~~FULLY~~ FUND**
32 **THE RESERVES NECESSARY UNDER THIS SECTION.**

1 (2) IN DEVELOPING THE FUNDING PLAN UNDER THIS SUBSECTION,
2 THE ~~HOMEOWNERS~~ GOVERNING BODY SHALL ~~CONSIDER~~ SELECT ONE OF THE
3 FOLLOWING METHODS TO ACHIEVE THE RESERVE FUNDING UNDER THIS SECTION:

4 (I) THE COMPONENT ~~OR FULL FUNDING~~ METHOD;

5 (II) THE CASH FLOW METHOD;

6 (III) THE BASELINE FUNDING METHOD;

7 (IV) THE THRESHOLD CASH FLOW METHOD; ~~AND OR~~

8 (V) ~~OTHER FUNDING METHODS~~ ANY OTHER FUNDING METHOD
9 CONSISTENT WITH GENERALLY ACCEPTED ACCOUNTING PRINCIPLES.

10 (3) A FUNDING PLAN DEVELOPED UNDER THIS SUBSECTION SHALL
11 PRIORITIZE ADEQUATE AMOUNTS FOR REPAIR AND REPLACEMENT OF COMMON
12 ~~ELEMENTS~~ AREAS OF THE HOMEOWNERS ASSOCIATION THAT ARE NECESSARY FOR:

13 (I) THE HEALTH, SAFETY, AND WELL-BEING OF THE ~~MEMBERS~~
14 OCCUPANTS;

15 (II) ENSURING STRUCTURAL INTEGRITY, SUCH AS ROOFING
16 REPLACEMENTS AND MAINTAINING STRUCTURAL SYSTEMS; ~~AND~~

17 (III) ESSENTIAL FUNCTIONING, SUCH AS PLUMBING, SEWER,
18 HEATING, COOLING, AND ELECTRICAL INFRASTRUCTURE; AND

19 (IV) ANY OTHER ESSENTIAL OR CRITICAL PURPOSE, AS
20 DETERMINED BY THE GOVERNING BODY.

21 (4) RESERVES MAY NOT BE USED FOR PURPOSES OTHER THAN THOSE
22 SPECIFIED IN THE FUNDING PLAN.

23 (5) A GOVERNING BODY OF A HOMEOWNERS ASSOCIATION SHALL
24 REVIEW PROGRESS TOWARD COMPLIANCE WITH THE FUNDING PLAN DEVELOPED
25 UNDER THIS SUBSECTION AT EACH ANNUAL MEETING OF THE HOMEOWNERS
26 ASSOCIATION.

27 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
28 October 1, 2025.