

HOUSE BILL 1133

N1, C1

5lr2297

By: **Delegate Rosenberg**

Introduced and read first time: February 5, 2025

Assigned to: Environment and Transportation

A BILL ENTITLED

1 AN ACT concerning

2 **Common Ownership Communities – Reserve Studies – Annual Revisions**

3 FOR the purpose of authorizing the governing body of a cooperative housing corporation,
4 condominium, or homeowners association to revise a required reserve study at the
5 end of each calendar year to reflect any changes made to the common elements that
6 year; and generally relating to reserve studies of cooperative housing corporations,
7 condominiums, and homeowners associations.

8 BY repealing and reenacting, without amendments,
9 Article – Corporations and Associations
10 Section 5–6B–26.1(a) through (c)
11 Annotated Code of Maryland
12 (2014 Replacement Volume and 2024 Supplement)

13 BY adding to
14 Article – Corporations and Associations
15 Section 5–6B–26.1(g)
16 Annotated Code of Maryland
17 (2014 Replacement Volume and 2024 Supplement)

18 BY repealing and reenacting, without amendments,
19 Article – Real Property
20 Section 11–109.4(a) through (d) and 11B–112.3(a) through (d)
21 Annotated Code of Maryland
22 (2023 Replacement Volume and 2024 Supplement)

23 BY adding to
24 Article – Real Property
25 Section 11–109.4(f) and 11B–112.3(f)
26 Annotated Code of Maryland
27 (2023 Replacement Volume and 2024 Supplement)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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

3 **Article – Corporations and Associations**

4 5–6B–26.1.

5 (a) In this section, “reserve study” means a study of the reserves required for
6 future major repairs and replacement of the common elements of a cooperative housing
7 corporation that:

8 (1) Identifies each structural, mechanical, electrical, and plumbing
9 component of the common elements and any other components that are the responsibility
10 of the cooperative housing corporation to repair and replace;

11 (2) States the normal useful life and the estimated remaining useful life of
12 each identified component;

13 (3) States the estimated cost of repair or replacement of each identified
14 component; and

15 (4) States the estimated annual reserve amount necessary to accomplish
16 any identified future repair or replacement.

17 (b) (1) This subsection applies only to a cooperative housing corporation
18 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 cooperative housing corporation shall have
24 an independent reserve study completed not less than 30 calendar days before the first
25 meeting of the cooperative housing corporation at which the members other than the owner
26 have a majority of votes in the cooperative housing corporation.

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

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

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

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

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

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

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

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

22 (ii) If the governing body of a cooperative housing corporation has
23 had a reserve study conducted on or after October 1, 2018, 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, 2018, the governing body shall
28 have a reserve study conducted on or before October 1, 2023, and an updated reserve study
29 at least every 5 years thereafter.

30 **(G) IN ADDITION TO AN UPDATED RESERVE STUDY REQUIRED UNDER**
31 **SUBSECTIONS (B) AND (C) OF THIS SECTION, THE GOVERNING BODY OF A**
32 **COOPERATIVE HOUSING CORPORATION MAY REVISE A COMPLETED RESERVE STUDY**
33 **AT THE END OF EACH CALENDAR YEAR TO REFLECT ANY CHANGES MADE TO THE**
34 **COMMON ELEMENTS THAT YEAR.**

35 **Article – Real Property**

36 11-109.4.

1 (a) In this section, “reserve study” means a study of the reserves required for
2 future major repairs and replacement of the common elements of a condominium that:

3 (1) Identifies each structural, mechanical, electrical, and plumbing
4 component of the common elements and any other components that are the responsibility
5 of the council of unit owners to repair and replace;

6 (2) States the normal useful life and the estimated remaining useful life of
7 each identified component;

8 (3) States the estimated cost of repair or replacement of each identified
9 component; and

10 (4) States the estimated annual reserve amount necessary to accomplish
11 any identified future repair or replacement.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

21 **(F) IN ADDITION TO AN UPDATED RESERVE STUDY REQUIRED UNDER**
22 **SUBSECTIONS (C) AND (D) OF THIS SECTION, THE GOVERNING BODY OF A**
23 **CONDOMINIUM MAY REVISE A COMPLETED RESERVE STUDY AT THE END OF EACH**
24 **CALENDAR YEAR TO REFLECT ANY CHANGES MADE TO THE COMMON ELEMENTS**
25 **THAT YEAR.**

26 11B-112.3.

27 (a) In this section, “reserve study” means a study of the reserves required for
28 future major repairs and replacement of the common areas of a homeowners association
29 that:

30 (1) Identifies each structural, mechanical, electrical, and plumbing
31 component of the common areas and any other components that are the responsibility of
32 the homeowners association to repair and replace;

33 (2) States the estimated remaining useful life of each identified component;

34 (3) States the estimated cost of repair or replacement of each identified
35 component; and

1 (4) States the estimated annual reserve amount necessary to accomplish
2 any identified future repair or replacement.

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

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

6 (ii) For which the total initial purchase and installation costs for all
7 components identified in subsection (a)(1) of this section is at least \$10,000.

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

10 (c) (1) This subsection applies only to a homeowners association established
11 in:

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

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

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

16 (2) The governing body of the homeowners association shall have an
17 independent reserve study completed not more than 90 calendar days and not less than 30
18 calendar days before the meeting of the homeowners association required under §
19 11B-106.1(a) of this title.

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

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

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

29 (iii) If the governing body of a homeowners association has not had a
30 reserve study conducted on or after October 1, 2016, the governing body shall have a reserve
31 study conducted on or before October 1, 2021, and an updated reserve study at least every
32 5 years thereafter.

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

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

7 (iii) If the governing body of a homeowners association has not had a
8 reserve study conducted on or after October 1, 2017, the governing body shall have a reserve
9 study conducted on or before October 1, 2022, and an updated reserve study at least every
10 5 years thereafter.

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

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

18 (iii) If the governing body of a homeowners association has not had a
19 reserve study conducted on or after October 1, 2018, the governing body shall have a reserve
20 study conducted on or before October 1, 2023, and an updated reserve study at least every
21 5 years thereafter.

22 **(F) IN ADDITION TO AN UPDATED RESERVE STUDY REQUIRED UNDER**
23 **SUBSECTIONS (C) AND (D) OF THIS SECTION, THE GOVERNING BODY OF A**
24 **HOMEOWNERS ASSOCIATION MAY REVISE A COMPLETED RESERVE STUDY AT THE**
25 **END OF EACH CALENDAR YEAR TO REFLECT ANY CHANGES MADE TO THE COMMON**
26 **ELEMENTS THAT YEAR.**

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