

HOUSE BILL 1215

N1, C1

5lr2530

By: **Delegates Hartman, Arentz, Baker, Griffith, Hornberger, Hutchinson, Jacobs, Miller, M. Morgan, T. Morgan, Nawrocki, Otto, Pippy, Rose, Schmidt, and Wivell**

Introduced and read first time: February 6, 2025

Assigned to: Environment and Transportation

A BILL ENTITLED

1 AN ACT concerning

2 **Common Ownership Communities – Time to Attain Reserve Funding Level –**
3 **Extension**

4 FOR the purpose of extending the time in which the governing body of a cooperative housing
5 corporation, condominium, or homeowners association is required to attain a certain
6 recommended annual reserve funding level following an initial reserve study; and
7 generally relating to reserve studies for cooperative housing corporations,
8 condominiums, and homeowners associations.

9 BY repealing and reenacting, with amendments,
10 Article – Corporations and Associations
11 Section 5–6B–26.1(f)
12 Annotated Code of Maryland
13 (2014 Replacement Volume and 2024 Supplement)

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

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

21 **Article – Corporations and Associations**

22 5–6B–26.1.

23 (f) (1) (i) Subject to subparagraph (ii) of this paragraph, the governing

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 body of a cooperative housing corporation shall provide funds to the reserve in accordance
2 with the most recent reserve study and shall review the reserve study annually for
3 accuracy.

4 (ii) If the most recent reserve study was an initial reserve study, the
5 governing body shall, within [3] 5 fiscal years following the fiscal year in which the initial
6 reserve study was completed, attain the annual reserve funding level recommended in the
7 initial reserve study.

8 (2) The governing body of a cooperative housing corporation has the
9 authority to increase an assessment levied to cover the reserve funding amount required
10 under this section, notwithstanding any provision of the articles of incorporation, bylaws,
11 or proprietary lease restricting assessment increases or capping the assessment that may
12 be levied in a fiscal year.

13 Article – Real Property

14 11–109.2.

15 (c) (1) Subject to paragraph (2) of this subsection, the reserves provided for in
16 the annual budget under subsection (b) of this section for a residential condominium shall
17 be the funding amount recommended in the most recent reserve study completed under §
18 11–109.4 of this title.

19 (2) If the most recent reserve study was an initial reserve study, the
20 governing body shall, within [3] 5 fiscal years following the fiscal year in which the initial
21 reserve study was completed, attain the annual reserve funding level recommended in the
22 initial reserve study.

23 11B–112.2.

24 (d) (1) Subject to paragraph (2) of this subsection, reserves provided for in the
25 annual budget under subsection (c) of this section shall be the funding amount
26 recommended in the most recent reserve study completed under § 11B–112.3 of this title.

27 (2) If the most recent reserve study was an initial reserve study, the
28 governing body shall, within [3] 5 fiscal years following the fiscal year in which the initial
29 reserve study was completed, attain the annual reserve funding level recommended in the
30 initial reserve study.

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