

March 30, 2021

The Honorable William C. Smith Jr.
Senate Judicial Proceedings Committee
Miller Senate Office Building,
2 East Wing 11 Bladen St.,
Annapolis, MD, 21401

RE: Oppose- HB 313 (Cooperative Housing Corporations, Condominiums, and Homeowners Associations - Reserve Studies – Statewide)

Dear Chairman Smith:

The Maryland Building Industry Association, representing 1,100 member firms statewide, appreciates the opportunity to participate in the discussion surrounding **HB 313 Cooperative Housing Corporations, Condominiums, and Homeowners Associations - Reserve Studies - Statewide**. MBIA Opposes HB313.

This bill would require Homeowners Associations to conduct and updated reserve study once every 5 years. MBIA respectfully supports that part of the legislation. The 2020 pandemic has shown how important it is for the organizations governing housing to prepare for a financial downturn in order to continue to provide the needed services in difficult economic periods. This measure would force the governing members of the cooperative housing corporation to evaluate their financial position and plan for unexpected expenses. Requiring an updated reserve study will save time and expenses during crisis periods by making the state of housing corporations financials well understood.

However, there should be a threshold for communities smaller than 50 units. When this bill was introduced in 2020, there was a threshold for communities that are smaller and thus have less common areas. At that time the legislation only applied to communities of more than 50 communities. The communities that are smaller have less common area, therefore, have less concern about reserves.

For these reasons, MBIA respectfully requests the Committee give this measure a unfavorable report unless these amendments are adopted. Thank you for your consideration.

For more information about this position, please contact Lori Graf at 410-800-7327 or lgraf@marylandbuilders.org.

cc: Members of the Senate Judicial Proceedings Committee