

January 26, 2021

The Honorable Kumar P. Barve
Environment & Transportation Committee
House Office Building, Room 251,
6 Bladen St., Annapolis, MD, 21401

RE: Support of House Bill 313 (Cooperative Housing Corporations, Condominiums, and Homeowners Associations - Reserve Studies - Statewide) With Amendment

Dear Chairman Barve:

The Maryland Building Industry Association (MBIA), representing 100,000 employees of the building industry across the State of Maryland, supports House Bill 313 (**Cooperative Housing Corporations, Condominiums, and Homeowners Associations - Reserve Studies - Statewide**) with a suggested amendment.

This measure requires a study every five years of the reserves required for future major repairs and replacement of the common elements of a condominium or common areas of a homeowners association (HOA). This requirement would apply to all cooperative housing corporations outside of Prince George's County, or an HOA that has more than 20 dwelling units in the development and has responsibility under its declaration for maintaining and repairing the common areas.

Associations should have flexibility to make business decisions regarding funding, which is not available in this bill. Given the significant expense incurred as a result of this bill, we propose inserting language into the bill that would allow for HOA's to avoid the expense of a reserve study if they do not own condominiums that have the potential to require expensive replacements and repairs and thus must maintain funding levels in order to meet those obligations.

MBIA respectfully requests the Committee adopt this amendment and give this measure a favorable report.

Thank you for your consideration.

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

cc: House Environment and Transportation Committee Members