



Montgomery County

Office of Intergovernmental Relations

ROCKVILLE: 240-777-6550

ANNAPOLIS: 240-777-8270

HB 313

DATE: March 26, 2021

SPONSOR: Delegate Holmes

ASSIGNED TO: Judicial Proceedings

CONTACT PERSON: Amy Samman (amy.samman@montgomerycountymd.gov)

POSITION: Support (Dept. of Housing and Community Affairs)

Cooperative Housing Corporations, Condominiums, and Homeowners Associations – Reserve Studies – Statewide

This bill requires the governing body of a common ownership community (COC) to commission a study of the COC's reserves and have an updated reserve study conducted within five (5) years of the initial study and at least every five (5) years thereafter.

The study would include an analysis of the amount of reserve funds needed to support future major repairs and replacement of the COC's common elements and common areas. This bill applies to condominiums, housing cooperatives, and homeowners' associations.

Montgomery County's Department of Housing and Community Affairs (MCDHCA) supports House Bill 313. Montgomery County's House Delegation introduced a similar local bill (House Bill 567/MC 3-21) this year. The bill reflects a recommendation from Montgomery County's Covid-19 COC Distress Workgroup based on concerns that members of COC governing bodies often lack the knowledge and expertise necessary to identify the improvements that need to be made to common elements and common areas and a timeline for making those improvements. This may result in those improvements not being budgeted for in advance, requiring the need for unanticipated resident special assessments or the loss of use of common elements and common areas altogether. MCDHCA believes reserve studies will assist governing bodies in determining the appropriate level of reserve funding necessary to avoid burdening residents with frequent special assessments which may help these communities maintain financial solvency.

For the foregoing reasons, MCDHCA respectfully requests a favorable Committee report on House Bill 313.