

March 26, 2024

The Honorable William C. Smith Jr.
Chairman, Senate Judicial Proceedings Committee
2 East Miller Senate Office Building
Annapolis, Maryland 21401

RE: HB 281 Cooperative Housing Corporations, Condominiums, and Homeowners Associations – Funding of Reserve Accounts

Dear Chairman Smith,

The Maryland Building Industry Association, representing 100,000 employees statewide, appreciates the opportunity to participate in the discussion surrounding **HB 281 Cooperative Housing Corporations, Condominiums, and Homeowners Associations – Funding of Reserve Accounts. MBIA Supports the Act as it was passed by the House of Delegates.**

This bill requires that certain funds for the reserve account of a cooperative housing corporation, a residential condominium, or a homeowner's association be deposited on or before the last day of each fiscal year. It also extends the amount of time from 3 to 5 years that cooperative housing corporations, condominiums, and homeowners associations have to attain the annual reserve funding level recommended in the initial reserve study. This bill will benefit our industry because it gives these housing entities more time to fund their reserve accounts. Requiring an updated reserve study will save time and expenses during crisis periods by making the state of housing corporations' financials well understood.

As amended in the House of Delegates, HB281 provides much needed clarification on the Reserve Study requirements and, we believe will create some relief for Homeowners Associations and Condominium Associations throughout the State.

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