

February 28, 2023

The Honorable Marc Korman
Environment & Transportation Committee
House Office Building, Room 251,
6 Bladen St., Annapolis, MD, 21401

RE: MBIA Letter of Support HB 968 Condominiums and Homeowners Associations- Reserve Studies

Dear Chairman Korman,

The Maryland Building Industry Association, representing 100,000 employees statewide, appreciates the opportunity to participate in the discussion surrounding **HB 968 Condominiums and Homeowners Associations- Reserve Studies**. MBIA **supports** the Act in its current version.

This measure creates some exemptions to the Reserve Study legislation that passed in 2022. Since going in to effect, HB107 (2022) has created many challenges for Homeowners Associations and Condominiums. HB968 would allow Condominium Associations to exempt themselves from this requirement with 80% approval from unit owners. It would also exempt certain HOA's that have 50 or less lots and HOA's that do not have responsibility for any common element but private roads.

Associations should have flexibility to make businesses decisions regarding funding, which is not available in the current law. This legislation would restore that flexibility for certain communities. Given the expense that can result in the reserve studies, these communities would greatly benefit them. It allows certain HOA's to avoid 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.

For these reasons, MBIA respectfully urges the Committee to 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: Members of the House Environment & Transportation Committee