



HOMEOWNERS  
OF AMERICA  
**UNITED**

January 22, 2025

**Testimony for  
2025 SB 63 / HB292 - Funding Reserves & Preparation of Funding Plans**

My name is Steve Horvath from HOA United. *Homeowners of America United* is a nonprofit organization funded entirely by member donations that connects homeowners to provide advocacy, collaboration, education, empowerment, and inspiration to create positive, transformative impacts for common interest communities. A number of our members are Maryland COC homeowners.

**Please consider the following recommendations:**

- **Fiscal Ramp for Reserves:** One glance at Florida's still unfolding condo special assessment catastrophe should prompt every legislator to move with haste to elongate the glide path for reserve funding. Moving from 3 years to 5 years is an improvement, but even 5 years is insufficient for current owners to compensate for decades (up to 60 years) of insufficient reserve practices and deferred maintenance. 10 years for "full funding" would be a more reasonable ramp with milestones along the way.
- **Frequency of Reserve Studies:** Follow Washington's lead. Reserve studies should be updated annually which can be accomplished using a slightly sophisticated spreadsheet, with "professional" oversight every 3 years at most. 5 year intervals are too infrequent.
- **Expertise:** Credentials aren't enough. Create accountability for firms and individuals who identify as reserve study "professionals." Reserve studies need to be: comprehensive, accurate and precise. Planning tools don't work well when the expected useful life is off by half or the replacement cost is double, triple or more.

Consider a requirement to have subject matter experts involved at least every 5 years to provide bids and estimates for major components. Elevator experts should provide information for elevators. Roofing experts should provide useful life and costs for roofs. And so on.

- **Defining Reserve Components:** *A reserve study must include a list containing any component provided by the developer pursuant to [Section 11-132] and any additional component for which the cost of inspection, maintenance, repair and/or replacement is not consistently included as a line-item in the association's annual budget.*
- **Requiring a list of components as structured data:** *A reserve study must include quantities and estimates for the useful life of each reserve component, the remaining useful life of each reserve component, and current major replacement costs for each reserve component.*

*Whether provided as part of or integrated into a reserve study report, the reserve study components, quantities, estimated useful life, remaining useful life and current replacement costs must also be provided as discrete data in a structured format that can be filtered and sorted by the association using a typical office software program. [Not in an inscrutable PDF.]*

- [Section 11-132 - Documents to be delivered to council of unit owners by developer](#)
  - Sub (4) requires turnover of "any report relating to the reserves"
  - Sub (10) requires *drawings, architectural plans, and other suitable documents setting forth the necessary information for location, maintenance and repair of all condominium facilities*
  - Require developers to compile a structured list of all components that need to be inspected, maintained, repaired and/or replaced over the life of a building.
- [Section 11-109\(c\)\(16\)](#) requires a turnover meeting within 60 days from the date of conveyance of 50% of the allocated interest. The initial reserve study is due not less than 30 days before that turnover, but that's too late.
  - Require developers to perform an initial reserve study within the earlier of the existing requirement OR within 60 days of obtaining a certificate of occupancy.

Thank you for considering testimony from *HOA United*.

Sincerely,

A handwritten signature in black ink that reads "Steve Horvath". The signature is written in a cursive style with a large, stylized 'S' and 'H'.

Steve Horvath  
Co-Founder, HOA United