

TESTIMONY BEFORE THE SENATE JUDICIAL PROCEEDINGS COMMITTEE

TUESDAY, JANUARY 21, 2025

SENATE BILL 63 – COOPERATIVE HOUSING CORPORATIONS, CONDOMINIUMS, AND HOMEOWNERS ASSOCIATIONS – FUNDING OF RESERVE ACCOUNTS AND PREPARATION OF FUNDING PLANS

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SB 63 – Cooperative Housing Corporations, Condominiums, and Homeowners Associations – Funding of Reserve Accounts and Preparation of Funding Plans, is targeted legislation to address the flaws with the current law surrounding reserve studies. The bill would extend the amount of time after an initial reserve study for a cooperative housing corporation, residential condominium, or HOA to attain the annual reserve funding level from three to five years. Additionally, the bill would allow several funding plan options for HOAs and condominium associations and would require the funding plans to prioritize “adequate amounts” for repair and replacement of common elements with consideration given to the health and safety of members of the governing body.

Under the current law passed in 2022, housing associations are now burdened with keeping track of regulatory timeframes to ensure that their properties are up to code. Combined with insurance rates, owners have been, and will continue to be faced with the increased costs for their association dues, and the assessments of their property. These price increases make the cost of living unaffordable for many residents, especially those who are elderly.

For the foregoing reasons, I ask that this committee issue a FAVORABLE report on this legislation.

Thank you, Senate Judicial Proceedings Committee members, and Mr. Chairman for your time.

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Respectively,

Daniel S. Spitz and Barbara E. Coleman-Spitz, Unit 101
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