

HOUSE BILL 107

N1, C1

(2lr0596)

ENROLLED BILL

— *Environment and Transportation/Judicial Proceedings* —

Introduced by ~~Delegate Holmes~~ Delegates Holmes, Foley, Healey, Lehman, and Terrasa

Read and Examined by Proofreaders:

Proofreader.

Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this _____ day of _____ at _____ o'clock, _____ M.

Speaker.

CHAPTER _____

1 AN ACT concerning

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

4 FOR the purpose of making statewide certain provisions relating to reserve studies;
5 requiring the governing body of certain cooperative housing corporations,
6 condominiums, or homeowners associations to have a reserve study conducted of the
7 common elements of the cooperative housing corporation, condominium, or
8 homeowners association and to update the study at certain intervals; imposing
9 certain requirements relating to the annual budget of a cooperative housing
10 corporation, condominium, or homeowners association; authorizing the governing
11 body of a cooperative housing corporation, condominium, or homeowners association
12 to increase a certain assessment; and generally relating to reserve studies and
13 annual budgets of cooperative housing corporations, condominiums, and
14 homeowners associations.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.

Italics indicate opposite chamber/conference committee amendments.



1 BY repealing and reenacting, with amendments,
2 Article – Corporations and Associations
3 Section 5–6B–26.1
4 Annotated Code of Maryland
5 (2014 Replacement Volume and 2021 Supplement)

6 BY repealing and reenacting, with amendments,
7 Article – Real Property
8 Section 11–109(c)(16)(v), 11–109.2(c), 11–109.4, 11–110(b)(1)(ii), 11B–106.1(e),
9 11B–112.2(d), 11B–112.3, and 11B–117(a)(2)
10 Annotated Code of Maryland
11 (2015 Replacement Volume and 2021 Supplement)

12 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
13 That the Laws of Maryland read as follows:

14 **Article – Corporations and Associations**

15 5–6B–26.1.

16 (a) In this section, “reserve study” means a study of the reserves required for
17 future major repairs and replacement of the common elements of a cooperative housing
18 corporation that:

19 (1) Identifies each structural, mechanical, electrical, and plumbing
20 component of the common elements and any other components that are the responsibility
21 of the cooperative housing corporation to repair and replace;

22 (2) States the normal useful life and the estimated remaining useful life of
23 each identified component;

24 (3) States the estimated cost of repair or replacement of each identified
25 component; and

26 (4) States the estimated annual reserve amount necessary to accomplish
27 any identified future repair or replacement.

28 (b) [This section applies only to a cooperative housing corporation in Prince
29 George’s County or Montgomery County.

30 (c)] (1) This subsection applies only to a cooperative housing corporation
31 established in:

32 (i) Prince George’s County on or after October 1, 2020; [or]

1 (ii) Montgomery County on or after October 1, 2021; OR

2 (iii) ANY COUNTY OTHER THAN PRINCE GEORGE'S COUNTY OR
3 MONTGOMERY COUNTY ON OR AFTER OCTOBER 1, 2022.

4 (2) The governing body of the cooperative housing corporation shall have
5 an independent reserve study completed not less than 30 calendar days before the first
6 meeting of the cooperative housing corporation at which the members other than the owner
7 have a majority of votes in the cooperative housing corporation.

8 (3) [(i) In Prince George's County, the governing body shall have a
9 reserve study completed within 5 years after the date of the initial reserve study conducted
10 under paragraph (2) of this subsection and at least every 5 years thereafter.

11 (ii) In Montgomery County, the] **THE** governing body shall have an
12 updated reserve study completed within 5 years after the date of the initial reserve study
13 conducted under paragraph (2) of this subsection, which shall be updated at least every 5
14 years thereafter.

15 [(d)] **(C)** (1) (i) This paragraph applies only to a cooperative housing
16 corporation established in Prince George's County before October 1, 2020.

17 (ii) If the governing body of a cooperative housing corporation has
18 had a reserve study conducted on or after October 1, 2016, the governing body shall have
19 [a] **AN UPDATED** reserve study conducted within 5 years after the date of that reserve
20 study and at least every 5 years thereafter.

21 (iii) If the governing body of a cooperative housing corporation has
22 not had a reserve study conducted on or after October 1, 2016, the governing body shall
23 have a reserve study conducted on or before October 1, 2021, and **AN UPDATED RESERVE**
24 **STUDY** at least every 5 years thereafter.

25 (2) (i) This paragraph applies only to a cooperative housing corporation
26 established in Montgomery County before October 1, 2021.

27 (ii) If the governing body of a cooperative housing corporation has
28 had a reserve study conducted on or after October 1, 2017, the governing body shall have
29 an updated reserve study conducted within 5 years after the date of that reserve study[,
30 which shall be updated] **AND** at least every 5 years thereafter.

31 (iii) If the governing body of a cooperative housing corporation has
32 not had a reserve study conducted on or after October 1, 2017, the governing body shall
33 have a reserve study conducted on or before October 1, 2022, [which shall be updated] **AND**
34 **AN UPDATED RESERVE STUDY** at least every 5 years thereafter.

1 **(3) (I) THIS PARAGRAPH APPLIES TO A COOPERATIVE HOUSING**
 2 **CORPORATION ESTABLISHED IN ANY COUNTY OTHER THAN PRINCE GEORGE'S**
 3 **COUNTY OR MONTGOMERY COUNTY BEFORE OCTOBER 1, 2022.**

4 **(II) IF THE GOVERNING BODY OF A COOPERATIVE HOUSING**
 5 **CORPORATION HAS HAD A RESERVE STUDY CONDUCTED ON OR AFTER OCTOBER 1,**
 6 **2018, THE GOVERNING BODY SHALL HAVE AN UPDATED RESERVE STUDY**
 7 **CONDUCTED WITHIN 5 YEARS AFTER THE DATE OF THAT RESERVE STUDY AND AT**
 8 **LEAST EVERY 5 YEARS THEREAFTER.**

9 **(III) IF THE GOVERNING BODY OF A COOPERATIVE HOUSING**
 10 **CORPORATION HAS NOT HAD A RESERVE STUDY CONDUCTED ON OR AFTER**
 11 **OCTOBER 1, 2018, THE GOVERNING BODY SHALL HAVE A RESERVE STUDY**
 12 **CONDUCTED ON OR BEFORE OCTOBER 1, 2023, AND AN UPDATED RESERVE STUDY**
 13 **AT LEAST EVERY 5 YEARS THEREAFTER.**

14 **[(e)] (D)** Each reserve study required under this section shall:

15 (1) Be prepared by a person who:

16 (i) Has prepared at least 30 reserve studies within the prior 3
 17 calendar years;

18 (ii) **HAS PARTICIPATED IN THE PREPARATION OF AT LEAST 30**
 19 **RESERVE STUDIES WITHIN THE PRIOR 3 CALENDAR YEARS WHILE EMPLOYED BY A**
 20 **FIRM THAT PREPARES RESERVE STUDIES** ~~Holds a bachelor's degree in construction~~
 21 ~~management, architecture, or engineering or equivalent experience and education;~~

22 (iii) Holds a current license from the State Board of Architects or the
 23 State Board for Professional Engineers; or

24 (iv) Is currently designated as a reserve specialist by the Community
 25 Association Institute or as a professional reserve analyst by the Association of Professional
 26 Reserve Analysts;

27 (2) Be available for inspection and copying by any unit owner;

28 (3) Be reviewed by the governing body of the cooperative housing
 29 corporation in connection with the preparation of the annual proposed budget; and

30 (4) Be summarized for submission with the annual proposed budget to the
 31 unit owners.

32 **[(f)] (E)** To the extent that a reserve study conducted in accordance with this
 33 section indicates a need to budget for reserves, the budget shall include:

1 (1) For the capital components, the current estimated:

- 2 (i) Replacement cost;
- 3 (ii) Remaining life; and
- 4 (iii) Useful life;

5 (2) The amount of accumulated cash reserves set aside for the repair,
6 replacement, or restoration of capital components as of the beginning of the fiscal year in
7 which the reserve study is conducted and the amount of the expected contribution to the
8 reserve fund for the fiscal year;

9 (3) A statement describing the procedures used for estimation and
10 accumulation of cash reserves in accordance with this section; and

11 (4) A statement of the amount of reserves recommended in the study and
12 the amount of current cash for replacement reserves.

13 [(g)] (F) (1) (I) The SUBJECT TO SUBPARAGRAPH (II) OF THIS
14 PARAGRAPH, THE governing body of a cooperative housing corporation shall provide funds
15 to the reserve in accordance with the most recent reserve study and shall review the reserve
16 study annually for accuracy.

17 ~~(H) THE GOVERNING BODY MAY FUND THE RESERVE REQUIRED~~
18 ~~BY THE INITIAL RESERVE STUDY OVER THREE IMMEDIATELY SUCCESSIVE BUDGET~~
19 ~~CYCLES FOLLOWING THE FISCAL YEAR IN WHICH THE INITIAL RESERVE STUDY IS~~
20 ~~CONDUCTED.~~

21 (II) IF THE MOST RECENT RESERVE STUDY WAS AN INITIAL
22 RESERVE STUDY, THE GOVERNING BODY SHALL, WITHIN 3 FISCAL YEARS FOLLOWING
23 THE FISCAL YEAR IN WHICH THE INITIAL RESERVE STUDY WAS COMPLETED, ATTAIN
24 THE ANNUAL RESERVE FUNDING LEVEL RECOMMENDED IN THE INITIAL RESERVE
25 STUDY.

26 (2) The governing body of a cooperative housing corporation has the
27 authority to increase an assessment levied to cover the reserve funding amount required
28 under this section, notwithstanding any provision of the articles of incorporation, bylaws,
29 or proprietary lease restricting assessment increases or capping the assessment that may
30 be levied in a fiscal year.

31 **Article – Real Property**

32 11–109.

(c) (16) (v) [In Prince George's County and Montgomery County, the] **THE** replacement reserves delivered under subparagraph (iv)2 of this paragraph **FOR A RESIDENTIAL CONDOMINIUM** shall be equal to at least the reserve funding amount recommended in the reserve study completed under § 11-109.4 of this title as of the date of the meeting.

11-109.2.

(c) **(1)** [In Prince George's County and Montgomery County, the] ~~THE~~ **SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, THE** reserves provided for in the annual budget under subsection (b) of this section **FOR A RESIDENTIAL CONDOMINIUM** shall be the funding amount recommended in the most recent reserve study completed under § 11-109.4 of this title.

~~**(2) THE GOVERNING BODY MAY FUND THE RESERVES REQUIRED BY THE INITIAL RESERVE STUDY OVER THREE IMMEDIATELY SUCCESSIVE BUDGET CYCLES FOLLOWING THE FISCAL YEAR IN WHICH THE INITIAL RESERVE STUDY IS CONDUCTED.**~~

(2) IF THE MOST RECENT RESERVE STUDY WAS AN INITIAL RESERVE STUDY, THE GOVERNING BODY SHALL, WITHIN 3 FISCAL YEARS FOLLOWING THE FISCAL YEAR IN WHICH THE INITIAL RESERVE STUDY WAS COMPLETED, ATTAIN THE ANNUAL RESERVE FUNDING LEVEL RECOMMENDED IN THE INITIAL RESERVE STUDY.

11-109.4.

(a) In this section, "reserve study" means a study of the reserves required for future major repairs and replacement of the common elements of a condominium [in Prince George's County or Montgomery County] that:

(1) Identifies each structural, mechanical, electrical, and plumbing component of the common elements and any other components that are the responsibility of the council of unit owners to repair and replace;

(2) States the normal useful life and the estimated remaining useful life of each identified component;

(3) States the estimated cost of repair or replacement of each identified component; and

(4) States the estimated annual reserve amount necessary to accomplish any identified future repair or replacement.

(b) ~~¶~~This section applies only to a **RESIDENTIAL** condominium ~~in Prince George's County or Montgomery County.~~

1 ~~(c)~~ (1) This subsection applies only to a condominium established in:

2 (i) Prince George's County on or after October 1, 2020; [or]

3 (ii) Montgomery County on or after October 1, 2021; **OR**

4 **(III) ANY COUNTY OTHER THAN PRINCE GEORGE'S COUNTY OR**
5 **MONTGOMERY COUNTY ON OR AFTER OCTOBER 1, 2022.**

6 (2) The governing body of the condominium shall have an independent
7 reserve study completed not less than 30 calendar days before the meeting of the council of
8 unit owners required under § 11-109(c)(16) of this title.

9 (3) [(i) In Prince George's County, the governing body shall have a
10 reserve study completed within 5 years after the date of the initial reserve study conducted
11 under paragraph (2) of this subsection and at least every 5 years thereafter.

12 (ii) In Montgomery County, the] **THE** governing body shall have an
13 updated reserve study completed within 5 years after the date of the initial reserve study
14 conducted under paragraph (2) of this subsection[, which shall be updated] **AND** at least
15 every 5 years thereafter.

16 ~~(d)~~ ~~(c)~~ (1) (i) This paragraph applies only to a condominium established
17 in Prince George's County before October 1, 2020.

18 (ii) If the governing body of a condominium has had a reserve study
19 conducted on or after October 1, 2016, the governing body shall have [a] **AN UPDATED**
20 reserve study conducted within 5 years after the date of that reserve study and at least
21 every 5 years thereafter.

22 (iii) If the governing body of a condominium has not had a reserve
23 study conducted on or after October 1, 2016, the governing body shall have a reserve study
24 conducted on or before October 1, 2021, and **AN UPDATED RESERVE STUDY** at least every
25 5 years thereafter.

26 (2) (i) This paragraph applies only to a condominium established in
27 Montgomery County before October 1, 2021.

28 (ii) If the governing body of a condominium has had a reserve study
29 conducted on or after October 1, 2017, the governing body shall have an updated reserve
30 study conducted within 5 years after the date of that reserve study[, which shall be
31 updated] **AND** at least every 5 years thereafter.

32 (iii) If the governing body of a condominium has not had a reserve
33 study conducted on or after October 1, 2017, the governing body shall have a reserve study

1 conducted on or before October 1, 2022, [which shall be] AND AN updated RESERVE STUDY
2 at least every 5 years thereafter.

3 (3) (I) THIS PARAGRAPH APPLIES ONLY TO A CONDOMINIUM
4 ESTABLISHED IN ANY COUNTY OTHER THAN PRINCE GEORGE'S COUNTY OR
5 MONTGOMERY COUNTY BEFORE OCTOBER 1, 2022.

6 (II) IF THE GOVERNING BODY OF A CONDOMINIUM HAS HAD A
7 RESERVE STUDY CONDUCTED ON OR AFTER OCTOBER 1, 2018, THE GOVERNING
8 BODY SHALL HAVE AN UPDATED RESERVE STUDY CONDUCTED WITHIN 5 YEARS
9 AFTER THE DATE OF THAT RESERVE STUDY AND AT LEAST EVERY 5 YEARS
10 THEREAFTER.

11 (III) IF THE GOVERNING BODY OF A CONDOMINIUM HAS NOT HAD
12 A RESERVE STUDY CONDUCTED ON OR AFTER OCTOBER 1, 2018, THE GOVERNING
13 BODY SHALL HAVE A RESERVE STUDY CONDUCTED ON OR BEFORE OCTOBER 1, 2023,
14 AND AN UPDATED RESERVE STUDY AT LEAST EVERY 5 YEARS THEREAFTER.

15 ~~f(e)~~ (D) Each reserve study required under this section shall:

16 (1) Be prepared by a person who:

17 (i) Has prepared at least 30 reserve studies within the prior 3
18 calendar years;

19 (ii) HAS PARTICIPATED IN THE PREPARATION OF AT LEAST 30
20 RESERVE STUDIES WITHIN THE PRIOR 3 CALENDAR YEARS WHILE EMPLOYED BY A
21 FIRM THAT PREPARES RESERVE STUDIES ~~Holds a bachelor's degree in construction~~
22 ~~management, architecture, or engineering, or equivalent experience and education;~~

23 (iii) Holds a current license from the State Board of Architects or the
24 State Board for Professional Engineers; or

25 (iv) Is currently designated as a reserve specialist by the Community
26 Association Institute or as a professional reserve analyst by the Association of Professional
27 Reserve Analysts;

28 (2) Be available for inspection and copying by any unit owner;

29 (3) Be reviewed by the governing body of the condominium in connection
30 with the preparation of the annual proposed budget; and

31 (4) Be summarized for submission with the annual proposed budget to the
32 unit owners.

1 11-110.

2 (b) (1) (ii) The board of directors of a RESIDENTIAL condominium [in
3 Prince George's County or Montgomery County] has the authority to increase the
4 assessment levied to cover the reserve funding amount required under § 11-109.4 of this
5 title, notwithstanding any provision of the declaration, articles of incorporation, or bylaws
6 restricting assessment increases or capping the assessment that may be levied in a fiscal
7 year.

8 11B-106.1.

9 (e) [In Prince George's County and Montgomery County, the] **THE** replacement
10 reserves delivered under subsection (d)(13) of this section shall be equal to at least the
11 reserve funding amount recommended in the reserve study completed under § 11B-112.3
12 of this title as of the date of the meeting.

13 11B-112.2.

14 (d) **(1)** [In Prince George's County and Montgomery County, reserves]
15 ~~RESERVES SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, RESERVES~~ provided
16 for in the annual budget under subsection (c) of this section shall be the funding amount
17 recommended in the most recent reserve study completed under § 11B-112.3 of this title.

18 ~~**(2)** THE GOVERNING BODY MAY FUND THE RESERVES REQUIRED BY~~
19 ~~THE INITIAL RESERVE STUDY OVER THREE IMMEDIATELY SUCCESSIVE BUDGET~~
20 ~~CYCLES FOLLOWING THE FISCAL YEAR IN WHICH THE INITIAL RESERVE STUDY IS~~
21 ~~CONDUCTED.~~

22 **(2)** IF THE MOST RECENT RESERVE STUDY WAS AN INITIAL RESERVE
23 STUDY, THE GOVERNING BODY SHALL, WITHIN 3 FISCAL YEARS FOLLOWING THE
24 FISCAL YEAR IN WHICH THE INITIAL RESERVE STUDY WAS COMPLETED, ATTAIN THE
25 ANNUAL RESERVE FUNDING LEVEL RECOMMENDED IN THE INITIAL RESERVE STUDY.

26 11B-112.3.

27 (a) In this section, "reserve study" means a study of the reserves required for
28 future major repairs and replacement of the common areas of a homeowners association
29 [in Prince George's County or Montgomery County] that:

30 (1) Identifies each structural, mechanical, electrical, and plumbing
31 component of the common areas and any other components that are the responsibility of
32 the homeowners association to repair and replace;

33 (2) States the estimated remaining useful life of each identified component;

1 (3) States the estimated cost of repair or replacement of each identified
2 component; and

3 (4) States the estimated annual reserve amount necessary to accomplish
4 any identified future repair or replacement.

5 (b) (1) This section applies only to a homeowners association [in Prince
6 George's County or Montgomery County that]:

7 (I) **THAT** has responsibility under its declaration for maintaining
8 and repairing common areas; **AND**

9 (II) **FOR WHICH THE TOTAL INITIAL PURCHASE AND**
10 **INSTALLATION COSTS FOR ALL COMPONENTS IDENTIFIED IN SUBSECTION (A)(1) OF**
11 **THIS SECTION IS AT LEAST \$10,000.**

12 (2) This section does not apply to a homeowners association that issues
13 bonds for the purpose of meeting capital expenditures.

14 (c) (1) This subsection applies only to a homeowners association established
15 in:

16 (i) Prince George's County on or after October 1, 2020; [or]

17 (ii) Montgomery County on or after October 1, 2021; **OR**

18 (III) **ANY COUNTY OTHER THAN PRINCE GEORGE'S COUNTY OR**
19 **MONTGOMERY COUNTY ON OR AFTER OCTOBER 1, 2022.**

20 (2) The governing body of the homeowners association shall have an
21 independent reserve study completed not more than 90 calendar days and not less than 30
22 calendar days before the meeting of the homeowners association required under §
23 11B-106.1(a) of this title.

24 (3) [(i) In Prince George's County, the governing body shall have a
25 reserve study completed within 5 years after the date of the initial reserve study conducted
26 under paragraph (2) of this subsection and at least every 5 years thereafter.

27 (ii) In Montgomery County, the] **THE** governing body shall have an
28 updated reserve study completed within 5 years after the date of the initial reserve study
29 conducted under paragraph (2) of this subsection[, which shall be updated] **AND** at least
30 every 5 years thereafter.

31 (d) (1) (i) This paragraph applies only to a homeowners association
32 established in Prince George's County before October 1, 2020.

1 (ii) If the governing body of a homeowners association has had a
2 reserve study conducted on or after October 1, 2016, the governing body shall have [a] AN
3 **UPDATED** reserve study conducted within 5 years after the date of that reserve study and
4 at least every 5 years thereafter.

5 (iii) If the governing body of a homeowners association has not had a
6 reserve study conducted on or after October 1, 2016, the governing body shall have a reserve
7 study conducted on or before October 1, 2021, and **AN UPDATED RESERVE STUDY** at least
8 every 5 years thereafter.

9 (2) (i) This paragraph applies only to a homeowners association
10 established in Montgomery County before October 1, 2021.

11 (ii) If the governing body of a homeowners association has had a
12 reserve study conducted on or after October 1, 2017, the governing body shall have an
13 updated reserve study conducted within 5 years after the date of that reserve study[, which
14 shall be updated] **AND** at least every 5 years thereafter.

15 (iii) If the governing body of a homeowners association has not had a
16 reserve study conducted on or after October 1, 2017, the governing body shall have a reserve
17 study conducted on or before October 1, 2022, [which shall be updated] **AND AN UPDATED**
18 **RESERVE STUDY** at least every 5 years thereafter.

19 **(3) (I) THIS PARAGRAPH APPLIES ONLY TO A HOMEOWNERS**
20 **ASSOCIATION ESTABLISHED IN ANY COUNTY OTHER THAN PRINCE GEORGE'S**
21 **COUNTY OR MONTGOMERY COUNTY BEFORE OCTOBER 1, 2022.**

22 **(II) IF THE GOVERNING BODY OF A HOMEOWNERS ASSOCIATION**
23 **HAS HAD A RESERVE STUDY CONDUCTED ON OR AFTER OCTOBER 1, ~~2017~~ 2018, THE**
24 **GOVERNING BODY SHALL HAVE AN UPDATED RESERVE STUDY CONDUCTED WITHIN**
25 **5 YEARS AFTER THE DATE OF THAT RESERVE STUDY AND AT LEAST EVERY 5 YEARS**
26 **THEREAFTER.**

27 **(III) IF THE GOVERNING BODY OF A HOMEOWNERS ASSOCIATION**
28 **HAS NOT HAD A RESERVE STUDY CONDUCTED ON OR AFTER OCTOBER 1, ~~2017~~ 2018,**
29 **THE GOVERNING BODY SHALL HAVE A RESERVE STUDY CONDUCTED ON OR BEFORE**
30 **OCTOBER 1, ~~2022~~ 2023, AND AN UPDATED RESERVE STUDY AT LEAST EVERY 5 YEARS**
31 **THEREAFTER.**

32 (e) Each reserve study required under this section shall:

33 (1) Be prepared by a person who:

34 (i) Has prepared at least 30 reserve studies within the prior 3
35 calendar years;

1 (ii) **HAS PARTICIPATED IN THE PREPARATION OF AT LEAST 30**
 2 **RESERVE STUDIES WITHIN THE PRIOR 3 CALENDAR YEARS WHILE EMPLOYED BY A**
 3 **FIRM THAT PREPARES RESERVE STUDIES** ~~Holds a bachelor's degree in construction~~
 4 ~~management, architecture, or engineering or equivalent experience and education;~~

5 (iii) Holds a current license from the State Board of Architects or the
 6 State Board for Professional Engineers; or

7 (iv) Is currently designated as a reserve specialist by the Community
 8 Association Institute or as a professional reserve analyst by the Association of Professional
 9 Reserve Analysts;

10 (2) Be available for inspection and copying by any lot owner;

11 (3) Be reviewed by the governing body of the homeowners association in
 12 connection with the preparation of the annual proposed budget; and

13 (4) Be summarized for submission with the annual proposed budget to the
 14 lot owners.

15 11B-117.

16 (a) (2) The governing body of a homeowners association [in Prince George's
 17 County or Montgomery County] has the authority to increase an assessment levied to cover
 18 the reserve funding amount required under § 11B-112.3 of this title, notwithstanding any
 19 provision of the declaration, articles of incorporation, or bylaws restricting assessment
 20 increases or capping the assessment that may be levied in a fiscal year.

21 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
 22 October 1, 2022.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.