

Bill No.: \_\_\_\_\_

Requested: \_\_\_\_\_

Committee: \_\_\_\_\_

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By: **Prince George’s County Delegation**

A BILL ENTITLED

1 AN ACT concerning

2 **Prince George’s County – Cooperative Housing Corporations, Condominiums,**  
3 **and Homeowners Associations – Reserve Studies**

4 **PG 403–20**

5 FOR the purpose of requiring the governing body of certain cooperative housing  
6 corporations in Prince George’s County to have a reserve study conducted of the  
7 common elements of the cooperative housing corporation by a certain date and at  
8 certain intervals under certain circumstances; requiring the reserve study conducted  
9 of the common elements of a cooperative housing corporation in Prince George’s  
10 County to meet certain criteria; requiring the owner of a residential rental facility  
11 transitioning to a cooperative housing corporation in Prince George’s County to  
12 deliver certain funds within a certain period of time after a certain meeting;  
13 requiring the annual budget of a cooperative housing corporation in Prince George’s  
14 County to include certain reserve funds; establishing that the governing body of a  
15 cooperative housing corporation in Prince George’s County has the authority to  
16 increase a certain assessment notwithstanding certain provisions; altering the  
17 reserve funds a certain condominium developer is required to deliver to the officers  
18 or board of directors of a condominium in Prince George’s County within a certain  
19 period of time after a certain meeting; altering the content of the annual budget of  
20 certain condominiums in Prince George’s County; requiring the governing body of  
21 certain condominiums in Prince George’s County to have a reserve study conducted

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 of the common elements of the condominium by a certain date and at certain  
2 intervals under certain circumstances; requiring the reserve study conducted of the  
3 common elements of a condominium in Prince George’s County to meet certain  
4 criteria; establishing that the board of directors of a condominium in Prince George’s  
5 County has the authority to increase a certain assessment notwithstanding certain  
6 provisions; altering the content of the annual budget of certain homeowners  
7 associations; altering the reserve funds a certain developer is required to deliver to  
8 the governing body of a homeowners association in Prince George’s County within a  
9 certain period of time after a certain meeting; requiring the governing body of certain  
10 homeowners associations in Prince George’s County to have a reserve study  
11 conducted of the common areas of a homeowners association by a certain date and  
12 at certain intervals under certain circumstances; requiring the reserve study  
13 conducted of the common areas of a homeowners association in Prince George’s  
14 County to meet certain criteria; establishing that the governing body of a  
15 homeowners association in Prince George’s County has the authority to increase a  
16 certain assessment notwithstanding certain provisions; defining certain terms;  
17 providing for the application of this Act; and generally relating to reserve studies  
18 and annual budgets of cooperative housing corporations, condominiums, and  
19 homeowners associations in Prince George’s County.

20 BY adding to  
21 Article – Corporations and Associations  
22 Section 5–6B–26.1  
23 Annotated Code of Maryland  
24 (2014 Replacement Volume and 2019 Supplement)

25 BY repealing and reenacting, with amendments,  
26 Article – Real Property  
27 Section 11–109(c)(16), 11–109.2, 11–110(b)(1), 11B–106.1, 11B–112.2, and  
28 11B–117(a)  
29 Annotated Code of Maryland  
30 (2015 Replacement Volume and 2019 Supplement)

31 BY adding to  
32 Article – Real Property  
33 Section 11–109.4 and 11B–112.3  
34 Annotated Code of Maryland  
35 (2015 Replacement Volume and 2019 Supplement)

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

3 Article – Corporations and Associations

4 **5-6B-26.1.**

5 (A) IN THIS SECTION, “RESERVE STUDY” MEANS A STUDY OF THE RESERVES  
6 REQUIRED FOR FUTURE MAJOR REPAIRS AND REPLACEMENT OF THE COMMON  
7 ELEMENTS OF A COOPERATIVE HOUSING CORPORATION IN PRINCE GEORGE’S  
8 COUNTY THAT:

9 (1) IDENTIFIES EACH STRUCTURAL, MECHANICAL, ELECTRICAL, AND  
10 PLUMBING COMPONENT OF THE COMMON ELEMENTS AND ANY OTHER COMPONENTS  
11 THAT ARE THE RESPONSIBILITY OF THE COOPERATIVE HOUSING CORPORATION TO  
12 REPAIR AND REPLACE;

13 (2) STATES THE ESTIMATED REMAINING USEFUL LIFE OF EACH  
14 IDENTIFIED COMPONENT;

15 (3) STATES THE ESTIMATED COST OF REPAIR OR REPLACEMENT OF  
16 EACH IDENTIFIED COMPONENT; AND

17 (4) STATES THE ESTIMATED ANNUAL RESERVE AMOUNT NECESSARY  
18 TO ACCOMPLISH ANY IDENTIFIED FUTURE REPAIR OR REPLACEMENT.

19 (B) THIS SECTION APPLIES ONLY TO A COOPERATIVE HOUSING  
20 CORPORATION IN PRINCE GEORGE’S COUNTY THAT HAS MORE THAN 50 UNITS.

21 (C) (1) THIS SUBSECTION APPLIES TO A COOPERATIVE HOUSING  
22 CORPORATION ESTABLISHED ON OR AFTER OCTOBER 1, 2020.

23 (2) THE GOVERNING BODY OF THE COOPERATIVE HOUSING  
24 CORPORATION SHALL HAVE AN INDEPENDENT RESERVE STUDY COMPLETED NOT  
25 MORE THAN 90 CALENDAR DAYS AND NOT LESS THAN 30 CALENDAR DAYS BEFORE  
26 THE FIRST MEETING OF THE COOPERATIVE HOUSING CORPORATION AT WHICH THE  
27 MEMBERS OTHER THAN THE OWNER HAVE A MAJORITY OF VOTES IN THE

1 COOPERATIVE HOUSING CORPORATION.

2 (3) THE GOVERNING BODY SHALL HAVE A RESERVE STUDY  
3 COMPLETED WITHIN 5 YEARS AFTER THE DATE OF THE INITIAL RESERVE STUDY  
4 CONDUCTED UNDER PARAGRAPH (2) OF THIS SUBSECTION AND AT LEAST EVERY 5  
5 YEARS THEREAFTER.

6 (D) (1) THIS SUBSECTION APPLIES TO A COOPERATIVE HOUSING  
7 CORPORATION ESTABLISHED BEFORE OCTOBER 1, 2020.

8 (2) IF THE GOVERNING BODY OF A COOPERATIVE HOUSING  
9 CORPORATION HAS HAD A RESERVE STUDY CONDUCTED ON OR AFTER OCTOBER 1,  
10 2016, THE GOVERNING BODY SHALL HAVE A RESERVE STUDY CONDUCTED WITHIN 5  
11 YEARS AFTER THE DATE OF THAT RESERVE STUDY AND AT LEAST EVERY 5 YEARS  
12 THEREAFTER.

13 (3) IF THE GOVERNING BODY OF A COOPERATIVE HOUSING  
14 CORPORATION HAS NOT HAD A RESERVE STUDY CONDUCTED ON OR AFTER  
15 OCTOBER 1, 2016, THE GOVERNING BODY SHALL HAVE A RESERVE STUDY  
16 CONDUCTED ON OR BEFORE OCTOBER 1, 2021, AND AT LEAST EVERY 5 YEARS  
17 THEREAFTER.

18 (E) EACH RESERVE STUDY REQUIRED UNDER THIS SECTION SHALL:

19 (1) BE PREPARED BY A PERSON WHO:

20 (I) HAS PREPARED AT LEAST 30 RESERVE STUDIES WITHIN THE  
21 PRIOR 3 CALENDAR YEARS;

22 (II) HOLDS A BACHELOR'S DEGREE IN CONSTRUCTION  
23 MANAGEMENT, ARCHITECTURE, OR ENGINEERING OR EQUIVALENT EXPERIENCE  
24 AND EDUCATION; OR

25 (III) HOLDS A CURRENT LICENSE FROM THE STATE BOARD OF  
26 ARCHITECTS OR THE STATE BOARD FOR PROFESSIONAL ENGINEERS;

27 (2) BE AVAILABLE FOR INSPECTION AND COPYING BY ANY UNIT  
28 OWNER;



1 public for residential purposes; or

2                   2. If a lesser percentage is specified in the declaration or  
3 bylaws of the condominium, 60 days from the date the specified lesser percentage of units  
4 in the condominium are sold to members of the public for residential purposes.

5                   (ii) 1. Before the date of the meeting held under subparagraph  
6 (i) of this paragraph, the developer shall deliver to each unit owner notice that the  
7 requirements of subparagraph (i) of this paragraph have been met.

8                   2. The notice shall include the date, time, and place of the  
9 meeting to elect the board of directors for the council of unit owners.

10                   (iii) If a replacement board member is elected, the term of each  
11 member of the board of directors appointed by the developer shall end 10 days after the  
12 meeting is held as specified in subparagraph (i) of this paragraph.

13                   (iv) Within 30 days from the date of the meeting held under  
14 subparagraph (i) of this paragraph, the developer shall deliver to the officers or board of  
15 directors for the council of unit owners, as provided in the condominium declaration or  
16 bylaws, at the developer's expense:

17                   1. The documents specified in § 11-132 of this title;

18                   2. The condominium funds, including operating funds,  
19 replacement reserves, investment accounts, and working capital;

20                   3. The tangible property of the condominium; and

21                   4. A roster of current unit owners, including mailing  
22 addresses, telephone numbers, and unit numbers, if known.

23                   **(V) IN PRINCE GEORGE'S COUNTY, THE REPLACEMENT**  
24 **RESERVES DELIVERED UNDER SUBPARAGRAPH (IV)2 OF THIS PARAGRAPH SHALL BE**  
25 **EQUAL TO AT LEAST THE RESERVE FUNDING AMOUNT RECOMMENDED IN THE**  
26 **RESERVE STUDY COMPLETED UNDER § 11-109.4 OF THIS TITLE AS OF THE DATE OF**  
27 **THE MEETING.**

1                    **[(v)] (VI)**    1.    This subparagraph does not apply to a contract  
2 entered into before October 1, 2009.

3                    2.    A.    In this subparagraph, “contract” means an  
4 agreement with a company or individual to handle financial matters, maintenance, or  
5 services for the condominium.

6                    B.    “Contract” does not include an agreement relating to the  
7 provision of utility services or communication systems.

8                    3.    Until all members of the board of directors of the  
9 condominium are elected by the unit owners at a transitional meeting as specified in  
10 subparagraph (i) of this paragraph, a contract entered into by the officers or board of  
11 directors of the condominium may be terminated, at the discretion of the board of directors  
12 and without liability for the termination, not later than 30 days after notice.

13                    **[(vi)] (VII)**    If the developer fails to comply with the requirements of  
14 this paragraph, an aggrieved unit owner may submit the dispute to the Division of  
15 Consumer Protection of the Office of the Attorney General under § 11-130(c) of this title.  
16 11-109.2.

17                    (a)    The council of unit owners shall cause to be prepared and submitted to the  
18 unit owners an annual proposed budget at least 30 days before its adoption.

19                    (b)    The annual budget shall provide for at least the following items:

- 20                    (1)    Income;
- 21                    (2)    Administration;
- 22                    (3)    Maintenance;
- 23                    (4)    Utilities;
- 24                    (5)    General expenses;
- 25                    (6)    Reserves; and

1 (7) Capital items.

2 (C) IN PRINCE GEORGE’S COUNTY, THE RESERVES PROVIDED FOR IN THE  
3 ANNUAL BUDGET UNDER SUBSECTION (B) OF THIS SECTION SHALL BE EQUAL TO AT  
4 LEAST 80% OF THE FUNDING AMOUNT RECOMMENDED IN THE MOST RECENT  
5 RESERVE STUDY COMPLETED UNDER § 11-109.4 OF THIS TITLE.

6 [(c)] (D) The budget shall be adopted at an open meeting of the council of unit  
7 owners or any other body to which the council of unit owners delegates responsibilities for  
8 preparing and adopting the budget.

9 [(d)] (E) Any expenditure made other than those made because of conditions  
10 which, if not corrected, could reasonably result in a threat to the health or safety of the unit  
11 owners or a significant risk of damage to the condominium, that would result in an increase  
12 in an amount of assessments for the current fiscal year of the condominium in excess of 15  
13 percent of the budgeted amount previously adopted, shall be approved by an amendment  
14 to the budget adopted at a special meeting, upon not less than 10 days written notice to the  
15 council of unit owners.

16 [(e)] (F) The adoption of a budget shall not impair the authority of the council of  
17 unit owners to obligate the council of unit owners for expenditures for any purpose  
18 consistent with any provision of this title.

19 [(f)] (G) The provisions of this section do not apply to a condominium that is  
20 occupied and used solely for nonresidential purposes.

21 **11-109.4.**

22 (A) IN THIS SECTION, “RESERVE STUDY” MEANS A STUDY OF THE RESERVES  
23 REQUIRED FOR FUTURE MAJOR REPAIRS AND REPLACEMENT OF THE COMMON  
24 ELEMENTS OF A CONDOMINIUM IN PRINCE GEORGE’S COUNTY THAT:

25 (1) IDENTIFIES EACH STRUCTURAL, MECHANICAL, ELECTRICAL, AND  
26 PLUMBING COMPONENT OF THE COMMON ELEMENTS AND ANY OTHER COMPONENTS  
27 THAT ARE THE RESPONSIBILITY OF THE COUNCIL OF UNIT OWNERS TO REPAIR AND  
28 REPLACE;



1           **(2) STATES THE ESTIMATED REMAINING USEFUL LIFE OF EACH**  
2 **IDENTIFIED COMPONENT;**

3           **(3) STATES THE ESTIMATED COST OF REPAIR OR REPLACEMENT OF**  
4 **EACH IDENTIFIED COMPONENT; AND**

5           **(4) STATES THE ESTIMATED ANNUAL RESERVE AMOUNT NECESSARY**  
6 **TO ACCOMPLISH ANY IDENTIFIED FUTURE REPAIR OR REPLACEMENT.**

7           **(B) THIS SECTION APPLIES ONLY TO A CONDOMINIUM IN PRINCE GEORGE'S**  
8 **COUNTY THAT HAS MORE THAN 50 UNITS.**

9           **(C) (1) THIS SUBSECTION APPLIES TO A CONDOMINIUM ESTABLISHED ON**  
10 **OR AFTER OCTOBER 1, 2020.**

11           **(2) THE GOVERNING BODY OF THE CONDOMINIUM SHALL HAVE AN**  
12 **INDEPENDENT RESERVE STUDY COMPLETED NOT MORE THAN 90 CALENDAR DAYS**  
13 **AND NOT LESS THAN 30 CALENDAR DAYS BEFORE THE MEETING OF THE COUNCIL OF**  
14 **UNIT OWNERS REQUIRED UNDER § 11-109(C)(16) OF THIS SUBTITLE.**

15           **(3) THE GOVERNING BODY SHALL HAVE A RESERVE STUDY**  
16 **COMPLETED WITHIN 5 YEARS AFTER THE DATE OF THE INITIAL RESERVE STUDY**  
17 **CONDUCTED UNDER PARAGRAPH (2) OF THIS SUBSECTION AND AT LEAST EVERY 5**  
18 **YEARS THEREAFTER.**

19           **(D) (1) THIS SUBSECTION APPLIES TO A CONDOMINIUM ESTABLISHED**  
20 **BEFORE OCTOBER 1, 2020.**

21           **(2) IF THE GOVERNING BODY OF A CONDOMINIUM HAS HAD A**  
22 **RESERVE STUDY CONDUCTED ON OR AFTER OCTOBER 1, 2016, THE GOVERNING**  
23 **BODY SHALL HAVE A RESERVE STUDY CONDUCTED WITHIN 5 YEARS AFTER THE DATE**  
24 **OF THAT RESERVE STUDY AND AT LEAST EVERY 5 YEARS THEREAFTER.**

25           **(3) IF THE GOVERNING BODY OF A CONDOMINIUM HAS NOT HAD A**  
26 **RESERVE STUDY CONDUCTED ON OR AFTER OCTOBER 1, 2016, THE GOVERNING**  
27 **BODY SHALL HAVE A RESERVE STUDY CONDUCTED ON OR BEFORE OCTOBER 1, 2021,**  
28 **AND AT LEAST EVERY 5 YEARS THEREAFTER.**

1           **(E) EACH RESERVE STUDY REQUIRED UNDER THIS SECTION SHALL:**

2                   **(1) BE PREPARED BY A PERSON WHO:**

3                           **(I) HAS PREPARED AT LEAST 30 RESERVE STUDIES WITHIN THE**  
4 **PRIOR 3 CALENDAR YEARS;**

5                           **(II) HOLDS A BACHELOR'S DEGREE IN CONSTRUCTION**  
6 **MANAGEMENT, ARCHITECTURE, OR ENGINEERING, OR EQUIVALENT EXPERIENCE**  
7 **AND EDUCATION; OR**

8                           **(III) HOLDS A CURRENT LICENSE FROM THE STATE BOARD OF**  
9 **ARCHITECTS OR THE STATE BOARD FOR PROFESSIONAL ENGINEERS;**

10                   **(2) BE AVAILABLE FOR INSPECTION AND COPYING BY ANY UNIT**  
11 **OWNER;**

12                   **(3) BE REVIEWED BY THE GOVERNING BODY OF THE CONDOMINIUM**  
13 **IN CONNECTION WITH THE PREPARATION OF THE ANNUAL PROPOSED BUDGET; AND**

14                   **(4) BE SUMMARIZED FOR SUBMISSION WITH THE ANNUAL PROPOSED**  
15 **BUDGET TO THE UNIT OWNERS.**

16 11-110.

17           (b) (1) (I) Funds for the payment of current common expenses and for the  
18 creation of reserves for the payment of future common expenses shall be obtained by  
19 assessments against the unit owners in proportion to their percentage interests in common  
20 expenses and common profits.

21                   **(II) THE BOARD OF DIRECTORS OF A CONDOMINIUM IN PRINCE**  
22 **GEORGE'S COUNTY HAS THE AUTHORITY TO INCREASE THE ASSESSMENT LEVIED TO**  
23 **COVER THE RESERVE FUNDING AMOUNT REQUIRED UNDER § 11-109.4 OF THIS**  
24 **TITLE, NOTWITHSTANDING ANY PROVISION OF THE DECLARATION, ARTICLES OF**  
25 **INCORPORATION, OR BYLAWS RESTRICTING ASSESSMENT INCREASES OR CAPPING**  
26 **THE ASSESSMENT THAT MAY BE LEVIED IN A FISCAL YEAR.**

27 11B-106.1.

1           (a)    A meeting of the members of the homeowners association to elect a governing  
2 body of the homeowners association shall be held within:

3                   (1)    60 days from the date that at least 75% of the total number of lots that  
4 may be part of the development after all phases are complete are sold to members of the  
5 public for residential purposes; or

6                   (2)    If a lesser percentage is specified in the governing documents of the  
7 homeowners association, 60 days from the date the specified lesser percentage of the total  
8 number of lots in the development after all phases are complete are sold to members of the  
9 public for residential purposes.

10           (b)    (1)    Before the date of the meeting held under subsection (a) of this section,  
11 the declarant shall deliver to each lot owner notice that the requirements of subsection (a)  
12 of this section have been met.

13                   (2)    The notice shall include the date, time, and place of the meeting to elect  
14 the governing body of the homeowners association.

15           (c)    The term of each member of the governing body of the homeowners association  
16 appointed by the declarant shall end 10 days after the meeting under subsection (a) of this  
17 section is held, if a replacement board member is elected.

18           (d)    Within 30 days from the date of the meeting held under subsection (a) of this  
19 section, the declarant shall deliver the following items to the governing body at the  
20 declarant's expense:

21                   (1)    The deeds to the common areas;

22                   (2)    Copies of the homeowners association's filed articles of incorporation,  
23 declaration, and all recorded covenants, plats, restrictions, and any other records of the  
24 primary development and of related developments;

25                   (3)    A copy of the bylaws and rules of the primary development and of other  
26 related developments as filed in the depository of the county in which the development is  
27 located;

- 1           (4)    The minute books, including all minutes;
- 2           (5)    Subject to the restrictions of § 11B–112 of this title, all books and  
3 records of the homeowners association, including financial statements, minutes of any  
4 meeting of the governing body, and completed business transactions;
- 5           (6)    Any policies, rules, and regulations adopted by the governing body;
- 6           (7)    The financial records of the homeowners association from the date of  
7 creation to the date of transfer of control, including budget information regarding estimated  
8 and actual expenditures by the homeowners association and any report relating to the  
9 reserves required for major repairs and replacement of the common areas of the  
10 homeowners association;
- 11          (8)    A copy of all contracts to which the homeowners association is a party;
- 12          (9)    The name, address, and telephone number of any contractor or  
13 subcontractor employed by the homeowners association;
- 14          (10)   Any insurance policies in effect;
- 15          (11)   Any permit or notice of code violations issued to the homeowners  
16 association by the county, local, State, or federal government;
- 17          (12)   Any warranty in effect and all prior insurance policies;
- 18          (13)   The homeowners association funds, including operating funds,  
19 replacement reserves, investment accounts, and working capital;
- 20          (14)   The tangible property of the homeowners association;
- 21          (15)   A roster of current lot owners, including their mailing addresses,  
22 telephone numbers, and lot numbers, if known;
- 23          (16)   Individual member files and records, including assessment account  
24 records, correspondence, and notices of any violations; and
- 25          (17)   Drawings, architectural plans, or other suitable documents setting

1 forth the necessary information for location, maintenance, and repairs of all common areas.

2 **(E) IN PRINCE GEORGE’S COUNTY, THE REPLACEMENT RESERVES**  
3 **DELIVERED UNDER SUBSECTION (D)(13) OF THIS SECTION SHALL BE EQUAL TO AT**  
4 **LEAST THE RESERVE FUNDING AMOUNT RECOMMENDED IN THE RESERVE STUDY**  
5 **COMPLETED UNDER § 11B–112.3 OF THIS TITLE AS OF THE DATE OF THE MEETING.**

6 **[(e)] (F)** (1) This subsection does not apply to a contract entered into before  
7 October 1, 2009.

8 (2) (i) In this subsection, “contract” means an agreement with a  
9 company or individual to handle financial matters, maintenance, or services for the  
10 homeowners association.

11 (ii) “Contract” does not include an agreement relating to the  
12 provision of utility services or communication systems.

13 (3) Until all members of the governing body are elected by the lot owners  
14 at a transitional meeting under subsection (a) of this section, a contract entered into by the  
15 governing body may be terminated, at the discretion of the governing body and without  
16 liability for the termination, not later than 30 days after notice.

17 **[(f)] (G)** If the declarant fails to comply with the requirements of this section, an  
18 aggrieved lot owner may submit the dispute to the Division of Consumer Protection of the  
19 Office of the Attorney General under § 11B–115(c) of this title.

20 11B–112.2.

21 (a) This section applies only to a homeowners association that has responsibility  
22 under its declaration for maintaining and repairing common areas.

23 (b) (1) The board of directors or other governing body of a homeowners  
24 association shall cause to be prepared and submitted to the lot owners an annual proposed  
25 budget at least 30 days before its adoption.

26 (2) The annual proposed budget may be sent to each lot owner by electronic  
27 transmission, by posting on the homeowners association’s home page, or by including the  
28 annual proposed budget in the homeowners association’s newsletter.

1 (c) The annual budget shall provide [information on or expenditures] for at least  
2 the following items:

- 3 (1) Income;
- 4 (2) Administration;
- 5 (3) Maintenance;
- 6 (4) Utilities;
- 7 (5) General expenses;
- 8 (6) Reserves; and
- 9 (7) Capital expenses.

10 **(D) IN PRINCE GEORGE'S COUNTY, RESERVES PROVIDED FOR IN THE**  
11 **ANNUAL BUDGET UNDER SUBSECTION (C) OF THIS SECTION SHALL BE EQUAL TO AT**  
12 **LEAST 80% OF THE FUNDING AMOUNT RECOMMENDED IN THE MOST RECENT**  
13 **RESERVE STUDY COMPLETED UNDER § 11B-112.3 OF THIS TITLE.**

14 **[(d)] (E)** (1) The budget shall be adopted at an open meeting of the  
15 homeowners association or any other body to which the homeowners association delegates  
16 responsibilities for preparing and adopting the budget.

17 (2) (i) Notice of the meeting at which the proposed budget will be  
18 considered shall be sent to each lot owner.

19 (ii) Notice under subparagraph (i) of this paragraph may be sent by  
20 electronic transmission, by posting on the homeowners association's home page, or by  
21 including the notice in the homeowners association's newsletter.

22 **[(e)] (F)** Except for an expenditure made by the homeowners association because  
23 of a condition that, if not corrected, could reasonably result in a threat to the health or  
24 safety of the lot owners or a significant risk of damage to the development, any expenditure  
25 that would result in an increase in an amount of assessments for the current fiscal year of

1 the homeowners association in excess of 15% of the budgeted amount previously adopted  
2 shall be approved by an amendment to the budget adopted at a special meeting for which  
3 not less than 10 days' written notice shall be provided to the lot owners.

4 **[(f)] (G)** The adoption of a budget does not impair the authority of the  
5 homeowners association to obligate the homeowners association for expenditures for any  
6 purpose consistent with any provision of this title.

7 **11B-112.3.**

8 **(A) IN THIS SECTION, "RESERVE STUDY" MEANS A STUDY OF THE RESERVES**  
9 **REQUIRED FOR FUTURE MAJOR REPAIRS AND REPLACEMENT OF THE COMMON**  
10 **AREAS OF A HOMEOWNERS ASSOCIATION IN PRINCE GEORGE'S COUNTY THAT:**

11 **(1) IDENTIFIES EACH STRUCTURAL, MECHANICAL, ELECTRICAL, AND**  
12 **PLUMBING COMPONENT OF THE COMMON AREAS AND ANY OTHER COMPONENTS**  
13 **THAT ARE THE RESPONSIBILITY OF THE HOMEOWNERS ASSOCIATION TO REPAIR**  
14 **AND REPLACE;**

15 **(2) STATES THE ESTIMATED REMAINING USEFUL LIFE OF EACH**  
16 **IDENTIFIED COMPONENT;**

17 **(3) STATES THE ESTIMATED COST OF REPAIR OR REPLACEMENT OF**  
18 **EACH IDENTIFIED COMPONENT; AND**

19 **(4) STATES THE ESTIMATED ANNUAL RESERVE AMOUNT NECESSARY**  
20 **TO ACCOMPLISH ANY IDENTIFIED FUTURE REPAIR OR REPLACEMENT.**

21 **(B) (1) THIS SECTION APPLIES ONLY TO A HOMEOWNERS ASSOCIATION IN**  
22 **PRINCE GEORGE'S COUNTY THAT:**

23 **(I) HAS MORE THAN 50 DWELLING UNITS IN THE**  
24 **DEVELOPMENT; AND**

25 **(II) HAS RESPONSIBILITY UNDER ITS DECLARATION FOR**  
26 **MAINTAINING AND REPAIRING COMMON AREAS.**

27 **(2) THIS SECTION DOES NOT APPLY TO A HOMEOWNERS ASSOCIATION**

1 THAT ISSUES BONDS FOR THE PURPOSE OF MEETING CAPITAL EXPENDITURES.

2 (C) (1) THIS SUBSECTION APPLIES TO A HOMEOWNERS ASSOCIATION  
3 ESTABLISHED ON OR AFTER OCTOBER 1, 2020.

4 (2) THE GOVERNING BODY OF THE HOMEOWNERS ASSOCIATION  
5 SHALL HAVE AN INDEPENDENT RESERVE STUDY COMPLETED NOT MORE THAN 90  
6 CALENDAR DAYS AND NOT LESS THAN 30 CALENDAR DAYS BEFORE THE MEETING OF  
7 THE HOMEOWNERS ASSOCIATION REQUIRED UNDER § 11B-106.1(A) OF THIS TITLE.

8 (3) THE GOVERNING BODY SHALL HAVE A RESERVE STUDY  
9 COMPLETED WITHIN 5 YEARS AFTER THE DATE OF THE INITIAL RESERVE STUDY  
10 CONDUCTED UNDER PARAGRAPH (2) OF THIS SUBSECTION AND AT LEAST EVERY 5  
11 YEARS THEREAFTER.

12 (D) (1) THIS SUBSECTION APPLIES TO A HOMEOWNERS ASSOCIATION  
13 ESTABLISHED BEFORE OCTOBER 1, 2020.

14 (2) IF THE GOVERNING BODY OF A HOMEOWNERS ASSOCIATION HAS  
15 HAD A RESERVE STUDY CONDUCTED ON OR AFTER OCTOBER 1, 2016, THE  
16 GOVERNING BODY SHALL HAVE A RESERVE STUDY CONDUCTED WITHIN 5 YEARS  
17 AFTER THE DATE OF THAT RESERVE STUDY AND AT LEAST EVERY 5 YEARS  
18 THEREAFTER.

19 (3) IF THE GOVERNING BODY OF A HOMEOWNERS ASSOCIATION HAS  
20 NOT HAD A RESERVE STUDY CONDUCTED ON OR AFTER OCTOBER 1, 2016, THE  
21 GOVERNING BODY SHALL HAVE A RESERVE STUDY CONDUCTED ON OR BEFORE  
22 OCTOBER 1, 2021, AND AT LEAST EVERY 5 YEARS THEREAFTER.

23 (E) EACH RESERVE STUDY REQUIRED UNDER THIS SECTION SHALL:

24 (1) BE PREPARED BY A PERSON WHO:

25 (I) HAS PREPARED AT LEAST 30 RESERVE STUDIES WITHIN THE  
26 PRIOR 3 CALENDAR YEARS;

27 (II) HOLDS A BACHELOR'S DEGREE IN CONSTRUCTION  
28 MANAGEMENT, ARCHITECTURE, OR ENGINEERING OR EQUIVALENT EXPERIENCE



1 AND EDUCATION; OR

2 (III) HOLDS A CURRENT LICENSE FROM THE STATE BOARD OF  
3 ARCHITECTS OR THE STATE BOARD FOR PROFESSIONAL ENGINEERS;

4 (2) BE AVAILABLE FOR INSPECTION AND COPYING BY ANY LOT  
5 OWNER;

6 (3) BE REVIEWED BY THE GOVERNING BODY OF THE HOMEOWNERS  
7 ASSOCIATION IN CONNECTION WITH THE PREPARATION OF THE ANNUAL PROPOSED  
8 BUDGET; AND

9 (4) BE SUMMARIZED FOR SUBMISSION WITH THE ANNUAL PROPOSED  
10 BUDGET TO THE LOT OWNERS.

11 11B-117.

12 (a) (1) As provided in the declaration, a lot owner shall be liable for all  
13 homeowners association assessments and charges that come due during the time that the  
14 lot owner owns the lot.

15 (2) THE GOVERNING BODY OF A HOMEOWNERS ASSOCIATION IN  
16 PRINCE GEORGE'S COUNTY HAS THE AUTHORITY TO INCREASE AN ASSESSMENT  
17 LEVIED TO COVER THE RESERVE FUNDING AMOUNT REQUIRED UNDER § 11B-112.3  
18 OF THIS TITLE, NOTWITHSTANDING ANY PROVISION OF THE DECLARATION,  
19 ARTICLES OF INCORPORATION, OR BYLAWS RESTRICTING ASSESSMENT INCREASES  
20 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, 2020.