

ASSOCIATION RESERVE STUDY AND RESERVE FUNDING

A new Maryland Law states that all communities that own over \$10,000 of capital infrastructure must conduct a reserve study of their reserve funds for repair and replacement. We own a community deck, 3 roadways, a beach area, and a playground with play equipment, picnic area and a basketball court. The study, mandated under House Bill 107, is necessary to determine if we have the reserve funds sufficient to repair and replace our infrastructure when needed. The study must be done by October 1, 2023. We have 3 years to fund our reserve account to meet the recommended amount. The new law provides that the governing body of the Association has the authority to increase what we annually levy to fund our reserve account. This law says we can go beyond the \$20 cap instituted in the Restrictions of Record to fund the capital reserve account. This will require a special levy on your annual road fund bill. Currently, at \$20 per lot, we collect approximately \$3,600 for annual maintenance. But no extra funds have been set aside in a reserve fund for repair and replacement. So, an additional assessment over three years would have to be done to create a reserve fund at the recommended levels. At the May semi-annual community meeting, we reviewed the requirements for compliance with the State Law. The Board solicited proposals from companies to conduct a reserve study. The Board approved to proceed with the Property Diagnostics proposal. In June, the Association board received the results of the study to determine how to proceed in funding the reserve account in full over three years. Review the Saunders Point Reserve Study prepared by Property Diagnostics [HERE](#).