

**HB 3057 -1 STAFF MEASURE SUMMARY**

**House Committee On Judiciary**

---

**Prepared By:** Josh Nasbe, Counsel

**Meeting Dates:** 4/4

---

**WHAT THE MEASURE DOES:**

Requires planned community homeowners association and condominium association to establish reserve account. Creates express exemption if association not obligated to maintain property by bylaws or declaration. Specifies information to be considered in annual review of reserve accounts. Increases period of time following specified events, from 180 days to 300 days, within which planned community homeowners associations and condominium association must have financial statement reviewed by accountant.

*REVENUE: May have revenue impact, but no statement yet issued*

*FISCAL: May have fiscal impact, but no statement yet issued*

**ISSUES DISCUSSED:**

**EFFECT OF AMENDMENT:**

-1 Eliminates express exception to general rule that homeowners association must establish reserve account. Modifies components of reserve account review by requiring assessment of current balance and rate of inflation for current year.

**BACKGROUND:**

Current law requires the establishment of a reserve account in the name of a homeowners association, if the association is a planned community that has the responsibility to maintain certain communal property. The law requires the board of directors to annually review the account and future needs of the association. Additionally, the law requires that a homeowners association provide the association's financial statement to an account within 180 days of the end of the fiscal year or, if the association's annual assessments do not exceed \$75,000, within 180 days of a petition signed by a majority of owners.