

BILL SUMMARY
2nd Session of the 57th Legislature

Bill No.:	HB 3060
Version:	Introduced
Request Number:	9323
Author:	Rep. McDugle
Date:	2/10/2020
Impact:	\$0

Research Analysis

HB 3060 requires the governing body of a property owners association to have reserve accounts for major common area components that have maintenance expenses or replacement costs that exceed \$50,000. The reserve accounts will be funded by a plan that is designed to allocate costs for any said expenses and costs. The reserve account funds must be separate from the general fund of the owners association.

Every five years, the owners association must conduct a study to determine the value of the major components it is obligated to repair, replace, restore, or maintain. The association must review the study every year to determine which components it is obligated to repair, replace, restore or maintain, their value, and the estimated total annual contribution necessary.

Finally, the association must prepare an annual budget that includes estimated replacement cost and estimated useful life of components it is obligated to repair, replace, restore or maintain. The budget must also include an estimate of the amount of necessary cash reserves, a statement regarding the anticipation of special assessments necessary to repair any components, and a statement describing the procedures used to estimate and accumulate cash reserves and the qualifications of the person who prepares the study.

Prepared By: Emily McPherson

Fiscal Analysis

HB 3060 in its current form is expected to have no direct fiscal impact on the state budget or revenues.

Prepared By: John McPhetridge

Other Considerations

None.