

House Bill 1641

By: Representative Lim of the 99th

A BILL TO BE ENTITLED
AN ACT

1 To amend Title 44 of the Official Code of Georgia Annotated, relating to property, so as to
2 require condominium associations to include certain amounts in the annual budget for repairs
3 and replacement; to provide for a refund or credit for certain excess reserves; to provide for
4 related matters; to repeal conflicting laws; and for other purposes.

5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

6 **SECTION 1.**

7 Title 44 of the Official Code of Georgia Annotated, relating to property, is amended by
8 adding a new subsection to Code Section 44-3-80, relating to allocation of and liability for
9 common expenses and how assessments are made for condominiums, to read as follows:

10 "(h)(1) The budget shall include as a line item a payment into the repair and replacement
11 reserve.

12 (2) The minimum percentage of the annual budget of a condominium that shall be
13 assigned to the repair and replacement reserve depends upon how many of the following
14 components and systems are to be maintained, repaired, and replaced by the board:

15 (A) Hallways;

16 (B) Stairwells;

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17 (C) Management or administrative offices;

18 (D) Roofs;

19 (E) Windows;

20 (F) Exterior walls;

21 (G) Elevators;

22 (H) HVAC systems;

23 (I) Swimming pools;

24 (J) Exercise facilities;

25 (K) Clubhouses;

26 (L) Parking garages, not including surface parking lots;

27 (M) Masonry bridges used by motor vehicles;

28 (N) Bulkheads; and

29 (O) Docks.

30 (3) In the event that the board is responsible for the maintenance, repair, and replacement
31 of:

32 (A) Four or more of the systems or components as provided in paragraph (2) of this
33 subsection, the minimum percentage of the annual budget that must be assigned to the
34 repair and replacement reserve is 15 percent;

35 (B) Three or more of the systems or components as provided in paragraph (2) of this
36 subsection, the minimum percentage of the annual budget that must be assigned to the
37 repair and replacement reserve is 10 percent; and

38 (C) Two or fewer of the systems or components as provided in paragraph (2) of this
39 subsection, the minimum percentage of the annual budget that must be assigned to the
40 repair and replacement reserve is 5 percent.

41 (4) In the event that the condominiums' accountant certifies that the funds in the repair
42 and replacement reserve are in excess of the sum required to constitute a fully funded

43 repair and replacement reserve as provided in paragraph (3) of this subsection, the board
44 shall refund or credit the surplus of the excess sum to the unit owners."

45 **SECTION 2.**

46 All laws and parts of laws in conflict with this Act are repealed.