515B.3-114 RESERVES; SURPLUS FUNDS.

(a) The annual budgets of the association shall provide from year to year, on a cumulative basis, for adequate reserve funds to cover the replacement of those parts of the common interest community which the association is obligated to replace. These reserve requirements shall not apply to a common interest community which is restricted to nonresidential use.

(b) Unless the declaration provides otherwise, any surplus funds that the association has remaining after payment of or provision for common expenses and reserves shall be (i) credited to the unit owners to reduce their future common expense assessments or (ii) credited to reserves, or any combination thereof, as determined by the board of directors.

(c) This section applies to common interest communities only for their fiscal years commencing before January 1, 2012.

History: *1993 c 222 art 3 s 14; 2005 c 121 s 29; 2010 c 267 art 3 s 11; 2011 c 116 art 2 s 14*