

PUBLICATION

Temporary Condominium Measures Allow Use of Reserve Funds

June 4, 2020

On June 1, 2020, a temporary **Order in Council** amending certain Regulations under Alberta's *Condominium Property Act*.

This temporary amendment to certain provisions of the *Act* allows condominium corporations to use reserve funds if a state of emergency is declared and when the conditions are met as outlined in the Order:

- the corporation has received less contributions than expected, due to the emergency;
- the Corporation cannot cover its expenses as a result of the lower revenue described above; and
- the corporation has no prohibition in the corporation's bylaws on using the reserve fund in this manner.

The Order also spells-out when a corporation cannot use reserve funds, and what a board must do prior to transferring reserve funds to their operating fund, namely:

- notify the owners with a statement of the board's intention to transfer reserve funds;
 - describe alternatives that were considered and why those alternatives were not utilized; and
 - share a revised reserve fund plan proposal that:
 - outlines the amount being transferred; and
 - the repayment plan (must be within 2-years from the date of declaration or state of emergency ended)
- have 75% board approval; and
- notify the owners to confirm the reserve fund changes have been put into place with a revised reserve fund plan.

If you have questions about your condominium property, we can help. Call one of our lawyers in our **Condominium Law group** — we're here to assist you.

Stay safe and well everyone!