

Department of Legislative Services
Maryland General Assembly
2011 Session

FISCAL AND POLICY NOTE
Revised

Senate Bill 532

(Senators Currie and Benson)

Judicial Proceedings

Environmental Matters

**Real Property - Homeowners Association Elections - Enforcement by the Division
of Consumer Protection**

This bill authorizes a lot owner in a homeowners association (HOA) to submit a dispute to the Division of Consumer Protection of the Office of Attorney General if the lot owner believes that the HOA's board of directors has failed to comply with election procedures specified in the HOA's governing documents relating to (1) notice about the date, time, and place for the election of the board of directors or other governing body; (2) the manner in which a call is made for nominations for the board of directors or other governing body; (3) the format of the election ballot; (4) the format, provision, and use of proxies during the election process; or (5) the manner in which a quorum is determined for election purposes.

Fiscal Summary

State Effect: The bill's requirements can be handled with existing resources.

Local Effect: None.

Small Business Effect: Potential minimal.

Analysis

Current Law: The Consumer Protection Division of the Office of the Attorney General has the authority to enforce a violation of the Maryland Homeowners Association Act (MHAA) to the extent that a violation affects a consumer. Violations of MHAA which do not affect consumers are enforced by each unit of State government within the scope of the authority of that unit.

MHAA includes the following provisions concerning the initial election of an HOA's governing body: (1) the HOA must hold the meeting to elect its governing body before a specified date; (2) the HOA must provide lot owners with notice containing the date, time, and place of the meeting; (3) the termination of the terms of a governing body's members must end within 10 days after the election meeting; and (4) the governing body must receive specified items, such as the copy of the bylaws and roster of current lot owners, within 30 days from the date of the election meeting.

State Expenditures: Because the Division of Consumer Protection already mediates disputes between consumers and HOAs regarding an HOA election if the election affects consumers, any increase in the number of complaints due to the bill's express authorization of enforcement over violations of specified provisions regarding an HOA election is not expected to materially affect State operations or finances. Thus, the bill's requirements can be handled with existing resources.

Additional Information

Prior Introductions: None.

Cross File: HB 99 (Delegate Braveboy) - Environmental Matters.

Information Source(s): Office of the Attorney General (Consumer Protection Division), Department of Legislative Services

Fiscal Note History: First Reader - February 9, 2011
mlm/kdm Revised - Senate Third Reader - April 1, 2011

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