

Department of Legislative Services
Maryland General Assembly
2012 Session

FISCAL AND POLICY NOTE

House Bill 81 (Delegate Braveboy, *et al.*)
Environmental Matters

Real Property - Homeowners Associations - Election of Governing Body

This bill prohibits a declarant and its affiliates from voting in the election of a homeowners association's (HOA) governing body that is held at the transitional meeting of the lot owners.

Fiscal Summary

State Effect: The bill does not directly affect State governmental operations or finances.

Local Effect: The bill does not directly affect local governmental operations or finances.

Small Business Effect: Potential minimal.

Analysis

Current Law/Background: A "declarant" means any person who subjects property to a declaration. Generally, the declarant is the developer or builder of the development who eventually relinquishes control of the development's HOA to the lot owners.

A transitional meeting of the members of an HOA to elect a governing body must be held within 60 days from the date that at least 75% of the total number of lots that may be part of a completed development are sold to members of the public for residential purposes. The HOA's governing documents may specify a lesser percentage. The declarant must provide appropriate notice to each lot owner about the transitional meeting, including the date, time, and place of the meeting. The term of each member of the governing body appointed by the declarant must end 10 days after the meeting at which a new governing body is elected.

If the declarant fails to comply with the proper statutory election procedures, an aggrieved lot owner may submit a dispute to the Division of Consumer Protection of the Office of the Attorney General. The Division of Consumer Protection has enforcement authority over any violation of the Maryland Homeowners Association Act to the extent that it affects a consumer.

Additional Information

Prior Introductions: HB 1339 of 2011 received a hearing from the House Environmental Committee, but no further action was taken.

Cross File: None.

Information Source(s): Office of the Attorney General (Consumer Protection Division), Secretary of State, www.hoatalk.com, Department of Legislative Services

Fiscal Note History: First Reader - February 7, 2012
mlm/kdm

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