

# HOUSE BILL 1061

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By: **Delegate Holmes**

Introduced and read first time: February 11, 2016

Assigned to: Environment and Transportation

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Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 17, 2016

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## CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Real Property – Common Ownership Communities – Registration**

3 FOR the purpose of requiring a cooperative housing corporation, a condominium, and a  
4 homeowners association to register annually with the State Department of  
5 Assessments and Taxation; exempting certain common ownership communities from  
6 the applicability of this Act; establishing a Common Ownership Community Registry  
7 in the Department; providing for a certain registration fee and certain contents of a  
8 registration form; making a failure to register a civil violation subject to a certain  
9 fine; requiring the Department to make a certain report annually to the General  
10 Assembly; establishing that the Registry is not a public record subject to the Public  
11 Information Act; providing that the Department may authorize access to the  
12 Registry only to certain persons; requiring the Department to report on or before a  
13 certain date to the General Assembly on recommendations for a training  
14 requirement for certain persons in a common ownership community; defining certain  
15 terms; and generally relating to the registration of common ownership communities.

16 BY adding to  
17 Article – Corporations and Associations  
18 Section 5–6B–12.1  
19 Annotated Code of Maryland  
20 (2014 Replacement Volume and 2015 Supplement)

21 BY adding to  
22 Article – Real Property

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### EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 Section 11-130.1 and 11B-115.2; and 14-601 through ~~14-605~~ 14-607 to be under  
2 the new subtitle "Subtitle 6. Registration of Common Ownership  
3 Communities"  
4 Annotated Code of Maryland  
5 (2015 Replacement Volume)

6 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,  
7 That the Laws of Maryland read as follows:

8 **Article – Corporations and Associations**

9 **5-6B-12.1.**

10 **A COOPERATIVE HOUSING CORPORATION SHALL REGISTER ANNUALLY WITH**  
11 **THE STATE DEPARTMENT OF ASSESSMENTS AND TAXATION AS REQUIRED UNDER**  
12 **TITLE 14, SUBTITLE 6 OF THE REAL PROPERTY ARTICLE.**

13 **Article – Real Property**

14 **11-130.1.**

15 **A CONDOMINIUM THAT IS USED FOR RESIDENTIAL PURPOSES SHALL**  
16 **REGISTER ANNUALLY WITH THE STATE DEPARTMENT OF ASSESSMENTS AND**  
17 **TAXATION AS REQUIRED UNDER TITLE 14, SUBTITLE 6 OF THIS ARTICLE.**

18 **11B-115.2.**

19 **A HOMEOWNERS ASSOCIATION SHALL REGISTER ANNUALLY WITH THE STATE**  
20 **DEPARTMENT OF ASSESSMENTS AND TAXATION AS REQUIRED UNDER TITLE 14,**  
21 **SUBTITLE 6 OF THIS ARTICLE.**

22 **SUBTITLE 6. REGISTRATION OF COMMON OWNERSHIP COMMUNITIES.**

23 **14-601.**

24 **(A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS**  
25 **INDICATED.**

26 **(B) "COMMON OWNERSHIP COMMUNITY" MEANS:**

27 **(1) A CONDOMINIUM AS DEFINED IN § 11-101 OF THIS ARTICLE THAT**  
28 **IS USED FOR RESIDENTIAL PURPOSES;**

29 **(2) A COOPERATIVE HOUSING CORPORATION AS DEFINED IN §**  
30 **5-6B-01 OF THE CORPORATIONS AND ASSOCIATIONS ARTICLE; AND**

1           (3) A HOMEOWNERS ASSOCIATION AS DEFINED IN § 11B-101 OF THIS  
2 ARTICLE.

3           (C) "DEPARTMENT" MEANS THE STATE DEPARTMENT OF ASSESSMENTS  
4 AND TAXATION.

5           (D) "REGISTRY" MEANS THE COMMON OWNERSHIP COMMUNITY  
6 REGISTRY.

7 14-602.

8           THIS SUBTITLE DOES NOT APPLY TO:

9           (1) (I) A COOPERATIVE HOUSING CORPORATION UNTIL 1 YEAR  
10 AFTER THE FIRST INITIAL SALE OF A COOPERATIVE INTEREST IN THE COOPERATIVE  
11 HOUSING CORPORATION;

12                       (II) A CONDOMINIUM UNTIL 1 YEAR AFTER THE DEVELOPER  
13 HAS RECORDED THE DECLARATION FOR THE CONDOMINIUM IN THE LAND RECORDS  
14 OF THE COUNTY IN WHICH THE CONDOMINIUM IS LOCATED; AND

15                       (III) A HOMEOWNERS ASSOCIATION UNTIL 1 YEAR AFTER THE  
16 DECLARANT HAS RECORDED THE DECLARATION FOR THE HOMEOWNERS  
17 ASSOCIATION IN THE LAND RECORDS OF THE COUNTY IN WHICH THE HOMEOWNERS  
18 ASSOCIATION IS LOCATED; AND

19           (2) A HOMEOWNERS ASSOCIATION, OR A VILLAGE COMMUNITY  
20 ASSOCIATION AFFILIATED WITH THE HOMEOWNERS ASSOCIATION, THAT MANAGES  
21 MORE THAN 3,000 ACRES OF OPEN SPACE LAND AND MORE THAN 20,000 LOTS.

22 14-603.

23           (A) THERE IS A COMMON OWNERSHIP COMMUNITY REGISTRY IN THE  
24 DEPARTMENT.

25           (B) ON OR BEFORE JANUARY 1 EACH YEAR, A COMMON OWNERSHIP  
26 COMMUNITY SHALL REGISTER WITH THE DEPARTMENT ON THE FORM THE  
27 DEPARTMENT REQUIRES.

28           ~~(B)~~ (C) THE GOVERNING BODY OF A COMMON OWNERSHIP COMMUNITY IS  
29 RESPONSIBLE FOR SATISFYING THE REQUIREMENTS OF THIS SUBTITLE.

30 ~~14-603.~~ 14-604.

1 (A) THE REGISTRATION FEE FOR A COMMON OWNERSHIP COMMUNITY  
2 SHALL BE \$3 PER YEAR.

3 (B) THE REGISTRATION FORM SHALL REQUIRE A COMMON OWNERSHIP  
4 COMMUNITY TO PROVIDE:

5 (1) THE NAME AND ADDRESS OF THE COMMON OWNERSHIP  
6 COMMUNITY, INCLUDING THE COUNTY IN WHICH THE COMMON OWNERSHIP  
7 COMMUNITY IS LOCATED;

8 (2) THE NUMBER AND TYPE OF RESIDENTIAL UNITS IN THE COMMON  
9 OWNERSHIP COMMUNITY;

10 (3) PROOF OF REGISTRATION AS A COMMON OWNERSHIP COMMUNITY  
11 WITH THE COUNTY IN WHICH THE COMMON OWNERSHIP COMMUNITY IS LOCATED, IF  
12 APPLICABLE;

13 (4) THE NAME AND CONTACT INFORMATION OF:

14 (I) EACH OFFICER OR MEMBER OF THE BOARD OF DIRECTORS  
15 OR GOVERNING BODY OF THE COMMON OWNERSHIP COMMUNITY; AND

16 (II) ANY PROPERTY MANAGER OR OTHER PERSON HIRED TO  
17 PROVIDE PROPERTY MANAGEMENT SERVICES FOR THE COMMON OWNERSHIP  
18 COMMUNITY; AND

19 ~~(III) ANY ATTORNEY FOR THE COMMON OWNERSHIP~~  
20 ~~COMMUNITY;~~

21 ~~(5) A STATEMENT ABOUT ANY FIDELITY INSURANCE;~~

22 ~~(6) A STATEMENT ABOUT ANY RESERVE STUDIES AND CURRENT~~  
23 ~~RESERVE BALANCES;~~

24 ~~(7) A STATEMENT ABOUT ANY GRIEVANCE PROCEDURES; AND~~

25 ~~(8)~~ (5) ANY OTHER INFORMATION RELEVANT TO THE  
26 REGISTRATION REQUIRED BY THE DEPARTMENT.

27 ~~14-604. 14-605.~~

1 (A) EXCEPT AS PROVIDED IN SUBSECTION (B) OF THIS SECTION, FAILURE  
2 TO REGISTER AS REQUIRED UNDER THIS SUBTITLE IS A CIVIL VIOLATION SUBJECT  
3 TO A FINE OF \$50.

4 (B) THE DEPARTMENT MAY WAIVE THE IMPOSITION OF A FINE IF THE  
5 REGISTRATION FORM AND REGISTRATION FEE ARE SUBMITTED WITHIN ~~10~~ 30 DAYS  
6 AFTER NOTIFICATION FROM THE DEPARTMENT OF THE FAILURE TO REGISTER.

7 ~~14-605.~~ 14-606.

8 ON OR BEFORE JANUARY 1, 2018, AND EACH YEAR THEREAFTER, THE  
9 DEPARTMENT SHALL REPORT TO THE GENERAL ASSEMBLY, IN ACCORDANCE WITH  
10 § 2-1246 OF THE STATE GOVERNMENT ARTICLE, ON THE DATA OBTAINED FROM  
11 THE REGISTRATION REQUIREMENTS OF THIS SUBTITLE.

12 14-607.

13 (A) THE REGISTRY:

14 (1) IS NOT A PUBLIC RECORD AS DEFINED BY § 4-101 OF THE  
15 GENERAL PROVISIONS ARTICLE; AND

16 (2) IS NOT SUBJECT TO TITLE 4 OF THE GENERAL PROVISIONS  
17 ARTICLE.

18 (B) THE DEPARTMENT MAY AUTHORIZE ACCESS TO THE REGISTRY ONLY TO  
19 LOCAL JURISDICTIONS, THEIR AGENCIES, AND REPRESENTATIVES AND STATE  
20 AGENCIES.

21 (C) NOTWITHSTANDING SUBSECTIONS (A) AND (B) OF THIS SECTION, THE  
22 DEPARTMENT OR A LOCAL JURISDICTION MAY PROVIDE INFORMATION FOR A  
23 SPECIFIC COMMON OWNERSHIP COMMUNITY IN THE REGISTRY TO:

24 (1) A PERSON WHO OWNS PROPERTY IN THE COMMON OWNERSHIP  
25 COMMUNITY; OR

26 (2) THE GOVERNING BODY OR PROPERTY MANAGER OF, OR THE  
27 ATTORNEY REPRESENTING, ANOTHER REGISTERED COMMON OWNERSHIP  
28 COMMUNITY.

29 SECTION 2. AND BE IT FURTHER ENACTED, That, on or before December 31,  
30 2016, the State Department of Assessments and Taxation, in consultation with the  
31 Department of Labor, Licensing, and Regulation, the Montgomery County Office of  
32 Consumer Protection, and the Prince George's County Office of Community Relations, shall

1 report to the General Assembly, in accordance with § 2-1246 of the State Government  
2 Article, on recommendations for a training requirement for members of the governing body  
3 and any property management services providers in a common ownership community.

4 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect  
5 October 1, 2016.

Approved:

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Governor.

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Speaker of the House of Delegates.

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President of the Senate.