

**COLUMBIA ASSOCIATION STATEMENT IN SUPPORT  
OF AMENDMENTS TO HOUSE BILL 444**

The Columbia Association, Inc. ("CA") is a non-profit community service corporation. For fifty years, CA has been providing recreational amenities, open space and other facilities and services to the residents of Columbia, a city with a current population of over 100,000. CA is also a homeowners association ("HOA") and by far the largest HOA in the State.

House Bill 444 proposes to make extensive and comprehensive changes to the Maryland Homeowners Association Act. While these changes may be suitable for some HOAs, they are not appropriate for CA given its size AND scope – and its unique governing structure. **Unlike any other HOA, CA issues bonds in the public debt market, and the value of those bonds is dependent on CA's distinguishing characteristics and the provisions of CA's governing documents.**

CA should be exempt from the new provisions added by this bill for multiple reasons. Numerous provisions in bill conflict with CA's governing documents. Even beyond that, however, numerous provisions would be unworkable for CA. Without being exhaustive, CA notes the following examples:

- Page 2, lines 33-34: This provision states that an HOA shall be "composed of all lot owners." If that means that all lot owners are "members" of the HOA, then that is directly contrary to CA's Charter, which provides that only the ten Columbia Council representatives (one elected person from each Village in Columbia) are members of the corporation.
- Page 3, lines 3-4, states that the HOA has certain powers "subject to any provision of . . . the Declaration and Bylaws." CA's powers are set forth in its Charter, and they have been the basis for CA's successful operations for over 50 years. To the extent that the proposed list may conflict with CA's Charter, the result would be confusion or legal uncertainty.
- Page 3, lines 9-12: In Columbia, a community of 33,000 lot owners, what does it mean that the HOA can sue or get involved in legal proceedings on behalf of just two lot owners? Would CA have standing to bring such a suit and under what circumstances? Under accepted practice, suit on behalf of a corporation like CA would have to be brought in the name of the corporation itself.
- Page 7, lines 17-23 requires that notice of board meetings be mailed or emailed to every lot owner. That requirement would be extremely onerous and expensive for CA, given the 33,000 notices that would have to be sent.
- New subsections 11B-111(C) through (H) (pages 7-9) are unworkable for CA. They assume that members and lot owners are synonymous, which is not the case for CA. A meeting of CA is not a meeting of lot owners but instead a meeting of the ten Columbia Council representatives (CA's Board members). These subsections also assume that lot

owners elect the HOA's officers, which is not true for CA. CA's President is hired by the board, and CA's other officers are hired by the President and then appointed the board. The provisions regarding elections also are inapplicable, since the elections for the Columbia Council representatives, who become the members and directors of CA, are held by the ten Villages in Columbia, not CA.

- Page 9, lines 28-31: This subsection, providing that decisions of the HOA are made by a majority of lot owners present and voting, makes no sense for CA and conflicts with CA's governing documents. The decisions of CA are made by the Board.

For all of these reasons (and these are only examples), CA respectfully requests that it be exempted from these new provisions by adopting the attached amendment.

On Behalf of Columbia Association  
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(To be offered in the Environment and Transportation Committee)

AMENDMENTS TO HOUSE BILL 444  
(First Reading File Bill)

AMENDMENT NO. 1

On page 2, in line 12, after "amendment;" insert "providing that certain provisions of law do not apply to certain homeowners associations and village community associations;" and in line 21, after "Section" insert "11B-102(g).".

AMENDMENT NO. 2

On page 2, after line 26, insert:

"11B-102.

(G) THE PROVISIONS OF §§ 11B-106.2, 11B-106.3, 11B-111(A)(1) AND (3), 11B-111(B) THROUGH (I), 11B-111.8, 11B-112(D), 11B-112.1(C)(2), AND 11B-116(D) OF THIS TITLE DO NOT APPLY TO:

(1) A HOMEOWNERS ASSOCIATION THAT MANAGES MORE THAN 3,000 ACRES OF OPEN SPACE AND MORE THAN 20,000 LOTS OR A VILLAGE COMMUNITY ASSOCIATION AFFILIATED WITH SUCH A HOMEOWNERS ASSOCIATION; OR

(2) A HOMEOWNERS ASSOCIATION WHOSE MEMBERS ARE ANOTHER HOMEOWNERS ASSOCIATION, A COOPERATIVE HOUSING CORPORATION, OR CONDOMINIUMS; OR

(3) A HOMEOWNERS ASSOCIATION WITH MORE THAN 11,000 MEMBERS;  
OR

(4) A HOMEOWNERS ASSOCIATION AFFILIATED THROUGH ITS GOVERNING DOCUMENTS WITH A HOMEOWNERS ASSOCIATION WITH MORE THAN 11,000 MEMBERS."

Purpose of Amendments

To exempt two large Homeowners Associations (Montgomery Village Foundation and Columbia Association) from provisions in the bill inconsistent with, or already covered by, the rules and procedures of those HOAs.

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