



January 15, 2021

Maryland General Assembly
House Environment & Transportation Committee
Room 251
House Office Building
Annapolis, Maryland 21401

Dear Members of the House Environment & Transportation Committee:

I am writing to request your **opposition to HB 367** sponsored by Del. (and committee member) Holmes which is scheduled for hearing in this committee on Tuesday, January 19th.

This bill proposes to create a new state regulatory board and state licensure regime for managers of community associations (condominiums, co-ops, and homeowner associations). At its roots, occupational licensure regimes are ineffective and actually detrimental to the marketplace. A White House study¹ published in 2015 concluded that occupational licensure creates barriers to market entry, raises costs in the licensed profession, and provides no noticeable consumer benefits related to improved service or protections.

Specific to the occupation of community managers, only seven states across the country have any form of mandatory registration or licensure (all with different models). One state – Colorado – actually repealed their manager licensure program in 2019 because there were little or no distinguishable benefits of the program and it resulted in an inefficient use of limited state resources.

In full transparency, I work for Associa, the largest community association management company in the country, which provides community management services in 38 states including Maryland. As such, Associa operates in six of the seven states with some form of manager licensure/registration, so we understand and experience the burdens and ineffectiveness of these regulatory regimes. In all cases, it results in increased operating costs (mandatory education coursework, exams, and licenses) and drives up payroll costs due to a constriction of the talent pool of qualified managers. More importantly, there is little recognized benefit to consumers (community associations and their residents). The industry reality is that there is currently vibrant competition among management companies in Maryland and the many provider choices offered community associations and their boards through this competition provides effective consumer protection (i.e., choice). I would hate to see that competition throttled by the costs and regulatory burdens of statewide licensure. Frankly, a company with our size and resources would benefit from this program eliminating some of our smaller competitors who can't afford it; but Associa is committed to advocacy of good public policy, and this proposal is little more than a bureaucratic "solution" in search of a problem.

I realize this issue has been considered annually by the Maryland General Assembly for the past several years, but I don't want this to be the year it achieves passage. **I request you vote against HB 367.**

Sincerely,

John Krueger
V.P. Government Affairs
Associa

¹ "Occupational Licensing: A Framework for Policymakers." The White House. July 2015