

Legislative District 23B  
Prince George's County

**MARVIN E. HOLMES, JR.**

Environment and Transportation Committee

*Chair*  
Housing and Real Property  
Subcommittee

**The Maryland House of Delegates**

**ANNAPOLIS, MARYLAND 21401**

Annapolis Office  
The Maryland House of Delegates  
6 Bladen Street, Room 364 Annapolis, Maryland 21401

301-858-3310 · 410-841-3310  
800-492-7122 Ext. 3310

Fax 301-858-3850 · 410-841-3850  
Marvin.Holmes@house.state.md.us

District Office  
P. O. Box 1631  
Upper Marlboro, Maryland 20773-1631  
301-249-2602  
Fax 301-560-4946

January 13, 2022  
Environment and Transportation Committee

**HB 107**

**Cooperative Housing Corporations, Condominiums, and Homeowners Associations  
Reserve Studies – Statewide**

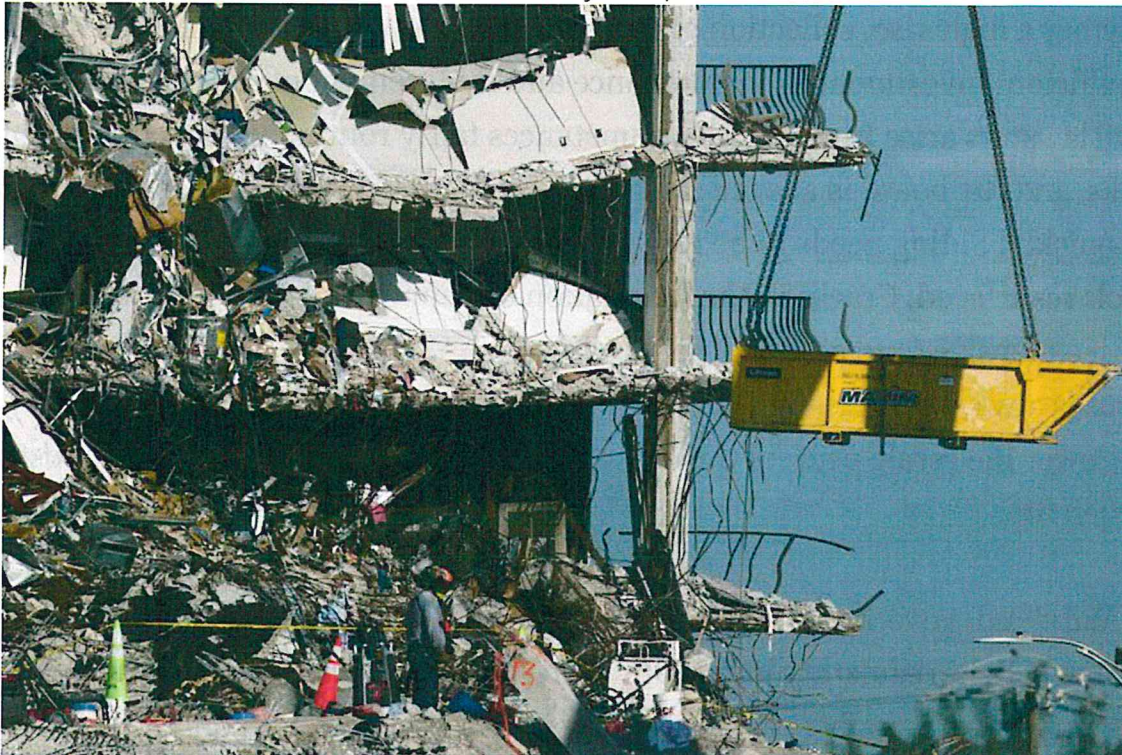
# **Florida collapse raises concerns about condominium oversight in Maryland; here's what the legislature should do**

## **COMMENTARY**

By **BALTIMORE SUN EDITORIAL BOARD**

BALTIMORE SUN

JUL 07, 2021 AT 5:50 AM



A crane is used to remove sets of human remains, as search and rescue personnel work atop the rubble at the Champlain Towers South condo building, where scores of people remain missing more than a week after it partially collapsed, Friday, July 2, 2021, in Surfside, Florida. (AP Photo/Mark Humphrey) (Mark Humphrey/AP)

The sudden collapse of the 12-story Champlain Towers South condominium building in Surfside, Florida, was a tragedy of a scale normally associated with natural disasters or terrorist attacks. The exact cause is not yet known and may not be well understood for months yet. But while the investigation, cleanup and search for missing people efforts continue, the circumstances strongly point to deterioration in the concrete structure that for several years had not been sufficiently addressed by the [governing board of the building's condominium association](#). As recently as April, condo owners [had been warned](#) that a major renovation was needed in response to serious water damage evident in the basement garage at a cost of more than \$15 million.

While few communities have witnessed a sudden building failure of this magnitude, what is far more commonplace is a condominium development — whether a high-rise, collection of townhouses or low-rise apartments — facing insufficient investment in maintenance and replacement of common assets. Civil lawsuits arise from these circumstances fairly routinely. Someone's roof leaks, and the board is alleged not to have kept up with repairs. The costs add up quickly: Siding needs to be replaced periodically, outdoor spaces replanted, pools resurfaced. Cracks in the foundation or support columns might be the most expensive (and scariest) possibility of all. Yet for many condo boards, the focus is always on keeping fees to the minimum. After all, the higher the fee, the lower the resale price of the unit as buyers look at the total monthly cost of ownership.

In Maryland, government has always treated such arrangements with a relatively light regulatory hand. Only two counties, Prince George's and Montgomery, formally review condominium documents, and only Montgomery has the authority to enforce them. Prince George's County has taken a slightly different tack that is especially instructive, however. Since last

**HB 107 - Cooperative Housing Corporations, Condominiums, and Homeowners Associations  
Reserve Studies – Statewide**

year, the county requires condo associations and similar bodies to conduct a review every five years to see if they're collecting enough money (and holding enough in reserves) to meet their projected maintenance costs. The governing boards must then set fees based on meeting those anticipated needs. In other words: If your roof needs to be replaced in 10 years, you had better be collecting sufficient money to cover that cost between now and then. And such studies can't be conducted by just any Tom, Dick or Harry. The law requires the contractor to be well-qualified and experienced, recognized by the state board of architects or engineers, for example.

In the wake of the Florida disaster, this appears to be an excellent idea. Earlier this year, Del. Marvin E. Holmes Jr., a Prince George's Democrat, offered legislation to [take his home county's approach statewide](#). It passed the House of Delegates by a 2-to-1 margin but never got serious consideration in the state Senate. It needs to become a much higher priority in the next legislative session in early 2022. As [Assistant Maryland Attorney General Karen S. Straughn](#) testified in a House committee in January, such assessments may raise fees in the short-term, but they spare homeowners major increases in the long-term when the bill suddenly comes due for major repairs that had not been properly anticipated. The measure even allows condo associations to raise fees higher than whatever local cap may exist. Again, that's because it's in the owners' collective financial interest. Some developers may oppose the measure. But during testimony on [House Bill 313](#), builders did not object to the periodic studies, only asking that there ought to be an [exemption for smaller developments](#) with few common assets that are unlikely to generate major new costs. That seems a reasonable point, particularly for projects where the only common spaces are walkways, parking lots and signs. There is certainly no reason to make this unduly burdensome.

**HB 107 - Cooperative Housing Corporations, Condominiums, and Homeowners Associations  
Reserve Studies – Statewide**

Indeed, it's likely that the folks who will appreciate this level of protection most may be the homeowners who volunteer to serve on the governing boards of common ownership communities. Few enter such arrangements with a deep background in construction, engineering or property management. The more guardrails the better for these potentially fraught circumstances, particularly for projects like beachfront high-rises where the risks are so high, as the Surfside disaster demonstrated. Surely, the owners will sleep better knowing that there are periodic assessments of maintenance needs — and the funds to cover them are going to be there when needed.

*Baltimore Sun editorial writers offer opinions and analysis on news and issues relevant to readers. They operate separately from the newsroom*