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March 21, 2023

To: The Honorable William C. Smith, Jr.
Chair, Judicial Proceedings Committee

From: Karen S. Straughn
Consumer Protection Division

Re: Senate Bill 894 – Task Force on Common Ownership Communities (SUPPORT WITH AMENDMENTS)

The Consumer Protection Division of the Office of the Attorney General submits the following written testimony in support of Senate Bill 894, submitted by Senator Nancy J. King, with amendments. This bill establishes a task force on Common Ownership Communities to study the education and training needs of boards and new owners, as well as issues impacting common ownership communities. We recommend an amendment to ensure that the Consumer Protection Division receives the additional staffing needed to facilitate this task force. In addition, we recommend considering adding a designee of the Maryland Higher Education Commission to the task force because the bill recommends study of providing classes and brochures on the subject by this state agency.

Common ownership communities have been in existence for decades, but the concerns and issues facing them continue to grow. In 2006, a task force was established to define the key issues which impacted the health and viability of common ownership communities, analyze six areas of significant problems at that time, and build consensus regarding balanced and affordable reforms for recommendation. Since that time, there have been numerous laws passed to assist these communities, but the complexity of common ownership communities requires further study to be able to meet the growing needs.

This bill would consider training and education for governing boards, conflict management processes, the collection of assessments, resources to assist the communities and the transfer from developers to associations, among many others. This would aid in developing new laws to assist communities to ensure that they remain viable and responsive to the needs of their members.

The bill requires the Office of the Attorney General to staff the task force, which would require arranging and attending meetings, taking notes, writing minutes, and drafting the report to be submitted at the conclusion of the task force. We believe that staffing the task force would require ½

of an Administrator for the two years that the task force is in place and recommend that the bill be amended to ensure that this staffing is provided if the bill passes. In addition, the Office of the Attorney General recommends considering adding a designee of the Maryland Higher Education Commission to the task force due to the fact that the bill requires the task force to study requesting this state agency to provide classes and brochures for common ownership communities.

For these reasons, we ask that the Judicial Proceedings Committee return a favorable report on this bill with amendments.

cc: The Honorable Nancy J. King
Members, Judicial Proceedings Committee