



February 6, 2024

The Honorable Marc Korman, Chair
Environment and Transportation Committee
House Office Building, Room 251
Annapolis, Maryland 21401

Dear Chair Korman, Vice-Chair Boyce, and Members of the Committee:

On behalf of Associa and our hundreds of Maryland-based employees, I am writing to respectfully oppose **HB 273, the Regulation of Common Ownership Community Managers**.

The legislation seeks to create an entirely new state regulatory board to license managers of community associations. The effect of this would be to raise housing costs for the nearly 1.1 million Marylanders who live in an association of one form or the other.¹ With housing insecurity peaking in every corner of the state, the last thing we should be doing is finding ways to make it harder for people to stay in their homes or to find housing in the first place. Unintentionally, that is exactly what will happen if this thiy's bill becomes law.

Beyond the costs to homeowners and taxpayers, via the numerous fees and budgetary appropriations called for in the legislation (that will be passed on to residents throughout the state), the intended benefits have been shown, time and again, to be absent from regulation like this. That is exactly why only 8 states currently regulate community association managers and why Colorado actually repealed its licensing requirements. Similarly, in Virginia, a 2018 report from the Joint Legislative Audit and Review Commission found that "Community managers...pose little risk to the public if left unregulated."² The report went on to recommend repealing the licensure requirements for community association managers. Maryland should follow suit by rejecting a new regulatory scheme.

On the national level, the Obama administration found that the data does not support the claim that occupational licensure improves the services of the regulated profession. It also concluded that public health and safety were not improved by licensure, the main argument used to justify licensure in the first place.³

I would like to thank Delegate Holmes for his continued interest in our industry. We appreciate that the makeup of the board contemplated in this bill is well-balanced and would be filled with professionals experienced in our industry. We welcome the opportunity to continue to work collaboratively with him and the other members of the committee.

¹ Community Associations Institute 2020-2021 U.S. National and State Statistical Review.
https://foundation.caionline.org/wp-content/uploads/2021/07/2021StatsReview_Web.pdf

² Report to the Governor and General Assembly: Operations and Performance of the Department of Professional and Occupational Regulation. 2018. <http://jlarc.virginia.gov/pdfs/reports/Rpt509.pdf>

³ Occupational Licensing: A Framework for Policymakers. The White House (prepared by the Department of the Treasury Office of Economic Policy, the Council of Economic Advisors, and the Department of Labor). July 2015.

https://obamawhitehouse.archives.gov/sites/default/files/docs/licensing_report_final_nonembargo.pdf

Associa has been working in the community association management space in Maryland for over 3 decades, managing nearly 85,000 units in more than 200 communities across the state. The market here is vibrant and the last thing we should be doing, especially at this precarious moment, is enacting barriers that will raise housing costs for the state's 1+ million association residents. Given all of this, **we respectfully ask that you oppose HB 273 and issue an unfavorable report.**

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