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February 28, 2024

Marc.Korman@house.state.md.us
regina.boyce@house.state.md.us

Delegate Marc Korman, Chair
Delegate Regina Boyce, Vice Chair
Environment and Transportation Committee
Room 251, House Office Building
Annapolis, Maryland 21401

Re: House Bill 1187
Reserve Funding Assistance Program – Establishment
Hearing Date: March 5, 2024 – 1:00 p.m.
Position: Support

Dear Chairman Korman, Vice Chair Boyce, and Members of the Environment
and Transportation Committee:

This letter is submitted on behalf of the Maryland Legislative Action Committee (“MD-LAC”) of the Community Associations Institute (“CAI”). CAI represents individuals and professionals who reside in or work with community associations (condominiums, homeowners’ associations, and cooperatives) throughout the State of Maryland.

We write on behalf of the Maryland residents statewide who reside in common ownership communities to voice our support for the above-referenced legislation, which is scheduled for hearing before your Committee on March 5, 2024 at 1:00 p.m.

Page 2, House Bill 1187
Community Associations Institute

As you know, in the years since the Surfside tragedy, Maryland has been proactive in adopting legislation to enforce the obligation to obtain replacement reserve studies, and to fund fully the recommendations set forth therein. Significant strides have been made to provide Maryland homeowners with the protection necessary to promote responsible management, operation, and governance of community associations statewide.

However, those communities obtaining initial and updated reserve studies have found themselves confronted with the appreciable financial challenges that exceed the combined resources of the associations and their individual members. Many associations have met that obstacle by adopting budgets with precipitous assessment increases and/or special assessments. Still, there are many communities statewide—particularly those constructed decades ago—in which higher assessment burdens have not translated to the creation of larger replacement reserve account balances.

HB 1187, as proposed, would meet the dire need of many communities for financial assistance, which is in the State's best interest to provide, so as to keep economically disadvantaged, disabled owners and/or elderly owners in their homes. Although we recognize that the price tag attached to this legislation is quite high, it is worth considering that the cost of displacing owners—particularly disabled and/or elderly ones—would be much greater.

Accordingly, we are in favor of the enactment of HB 1187, and we request a **favorable** recommendation be made by this Committee. Thank you for your time and attention to this important legislation.

We are available to answer any questions the Committee Members may have. Please feel free to contact Lisa Harris Jones, lobbyist for the MD-LAC, at 410-366-1500, or by e-mail at lisa.jones@mdlobbyist.com, or Scott Silverman, of the MD-LAC, at [301-251-1414](tel:301-251-1414), or by e-mail at ssilverman@schildlaw.com.

Sincerely,

Scott J. Silverman

Scott J. Silverman, Esq.
Member, CAI MD-LAC

Vickie Caine

Vicki Caine
Chair, CAI MD-LAC