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Judicial Proceedings Committee



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THE SENATE OF MARYLAND ANNAPOLIS, MARYLAND 21401

February 8th, 2024 The Maryland State Senate Judicial Proceedings Committee The Honorable William C. Smith, Jr. 2 East Miller Senate Building Annapolis, Maryland 21401

Re: Senate Bill 15: Cooperative Housing Corporations - Dispute Settlement

Dear Chairman Smith and members of the Committee,

Maryland does not have many cooperative housing associations.

In the case of a condominium, the condominium owner owns in fee simple the space occupied by the condominium. In the case of a high rise condominium, this means the buyer owns airspace which constitutes part of the building. Other condominium owners own their own airspaces. Under the condo regime, each condo owner has a joint ownership interest in the building's common elements.

In the case of a coop, the owner is a partial owner of the entire building. As one of the building owners, the coop owner has the right to live in one of the apartments in the building.

This bill addresses situations in which a coop owner fails to abide by the rules of the coop, which are set by the governing body of the coop. The bill makes modest changes to the existing statute setting forth the mechanism for enforcing the rules of the coop against noncompliant coop members. Most importantly, upon the request of the alleged violator, the bill provides the violator with an opportunity for a hearing about the violation before the governing body. In the event of such a request, the violator will be entitled to at least 10 days written notice of the time and place of the hearing. If no hearing is requested, then the bill requires that at the next meeting of the governing body, it must deliberate as to whether the violation occurred and decide what sanction, if any, to impose.

Senate Bill 15 reflects the current dispute settlement provisions that govern condominiums and homeowners' associations in Maryland. Last year, this bill passed the House of Delegates unanimously but never got passed in the State Senate.

I appreciate the Committee's consideration of Senate Bill 15 and will be happy to answer any questions the Committee may have.