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DATE: February 25, 2025

BILL NO.: Senate Bill 866

TITLE: Common Ownership Communities – Ombudsman Unit, Governing Document Database, and Local Commissions

COMMITTEE: Senate Judicial Proceedings Committee

Letter of Support

Description of Bill:

Senate Bill 866 establishes a Common Ownership Community Ombudsman Unit in the Division of Consumer Protection in the Office of the Attorney General to receive and respond to complaints pertaining to common ownership communities such as homeowners associations, condominiums, and housing co-ops. The bill also requires common ownership communities to file with the Department of Housing and Community Development copies of their governing documents and any amendments and establishes requirements for local common ownership commissions established by local governments.

Background and Analysis:

Currently, Maryland law establishes rules and regulations for condominiums (Real Property Article, Title 11), homeowners associations (Real Property Article, Title 11B), and cooperative housing corporations (Corporations and Associations Article, Subtitle 5-6B), and grants enforcement power to the Division of Consumer Protection in the Office of the Attorney General. Senate Bill 866 enhances the Division of Consumer Protection's enforcement capabilities by creating a Common Ownership Community Ombudsman Unit tasked with assisting members of these communities in understanding their rights and available grievance processes, publishing information on federal and state laws regarding common ownership communities and receiving and responding to complaints by members regarding actions or decisions by the governing bodies of these communities.

Further, Senate Bill 866 requires common ownership communities to file up-to-date versions of their governing documents with the Department of Housing and Community Development, and DHCD to create and maintain a public database of those documents. This will help ensure that community members have easy access to their community's corporate documents such as bylaws, rules, and regulations.

Finally, the bill empowers local jurisdictions to establish commissions on common ownership communities and establishes requirements and duties of those commissions. These local commissions would be empowered to provide technical assistance to common ownership communities and operate dispute resolution processes such as mediation and administrative hearings.

In summary, Senate Bill 866 will enhance the ability of state government as well as local jurisdictions to assist members of common ownership communities in understanding their rights and applicable law, and it will protect Maryland homeowners against abusive and illegal practices by governing bodies of these communities.

DHCD Position

The Maryland Department of Housing and Community Development respectfully requests a **favorable** report on SB 866.



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