

SB 866 - Testimony.pdf

Uploaded by: C. Anthony Muse

Position: FAV



THE SENATE OF MARYLAND
ANNAPOLIS, MARYLAND 21401

TESTIMONY

**SB 866: Common Ownership Communities - Ombudsman Unit, Governing Document
Database, and Local Commissions**

Good afternoon, Mr. Chairman, Vice Chair, and members of the Senate Judicial Proceedings Committee.

Senate Bill 866 would establish an Ombudsman Unit for the citizens of Maryland. This bill is designed to provide a dedicated resource for individuals with questions related to their common ownership communities (COCs), as there is currently **no** state agency available to assist them. The Ombudsman Unit would serve as a **point of contact** for residents seeking guidance on COC-related issues, offering an alternative to costly legal disputes and litigation.

The Common Ownership Community Ombudsman Unit would be responsible for monitoring changes in relevant laws, publishing information about COCs on the Office of the Attorney General's (OAG) website, assisting members in understanding their rights, and providing referrals to alternative dispute resolution services when requested. Additionally, the unit would receive and respond to complaints from members regarding final adverse decisions made by a governing body or COC manager. It would then refer the complaint to the appropriate local commission for further review to determine whether the final adverse decision conflicts with laws or regulations governing COCs in the jurisdiction, or make that determination itself and promptly notify the complainant.

Currently, as many of you know, if a resident has a question related to their common ownership community, there is no dedicated organization to provide answers. While the Attorney General's Office offers mediation services, those efforts are not always successful. Furthermore, the AG's Office cannot provide legal advice to callers seeking guidance on COC-related matters.

However, a couple jurisdictions in Maryland have established Commissions on Common Ownership Communities (CCOCs), specifically in Prince George's County and Montgomery County. These commissions, however, do not operate in the same manner. Montgomery County's CCOC, which Delegate Holmes, the House sponsor has modeled certain legislative efforts after, allows residents to attend monthly meetings and ask questions, but it too is unable to offer legal advice.

The Ombudsman Unit established under this Act would serve as an important resource to handle the complaints made by our constituents.

In closing, this bill is not a mandate; it simply establishes the office. Therefore, I respectfully urge a **FAVORABLE** committee report for SB 866.

SB866_DHCD_SUPPORT.pdf

Uploaded by: Chuck Cook

Position: FAV



WES MOORE
Governor
ARUNA MILLER
Lt. Governor
JACOB R. DAY
Secretary
JULIA GLANZ
Deputy Secretary

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.



SB 866 - Condo Ombuds - FAV - REALTORS.pdf

Uploaded by: Lisa May

Position: FAV



Senate Bill 866 – Common Ownership Communities - Ombudsman Unit, Governing Document Database, and Local Commissions

Position: Support

Maryland REALTORS® strongly supports SB 866, to create a Common Ownership Community Ombudsman Unit, among other provisions.

Maryland REALTORS® receives many questions and complaints related to the operations and practices by communities and their management companies. This includes the resale delivery process and associated fees; determining which properties belong to which Common Ownership Community and which association management company; and actions of CoC Boards against their members.

However, these complaints are not typically reported to the state. This is because community residents and purchasers are unaware of assistance offered by the Consumer Protection Division, or don't believe that their complaints rise to the level of formal action by the Office of the Attorney General.

REALTORS® have supported greater legislative oversight in this area for many years through the licensing of association managers, stricter limits on resale fees, and the creation of a statewide registry of communities, though none have passed the General Assembly. The Ombudsman created under this Act would be an important source of information on the number and types of complaints made by consumers and future actions for the General Assembly.

This is an area of real estate in great need of attention, and action is long overdue. Therefore, Maryland REALTORS® recommends a favorable report on SB 866.

**For more information contact
lisa.may@mdrealtor.org or christa.mcgee@mdrealtor.org**

Written Testimony FAVORABLE SB 866- Maryam Tabrizi

Uploaded by: Maryam Tabrizi

Position: FAV

SB866 -Common Ownership Communities – Ombudsman Unit, Governing Document Database, and Local Commissions

Judicial Proceedings

Written SUPPORT

Maryam Tabrizi- Maryland Resident
Bethesda, MD 20814
410-310-5939
mjtabrizi@aol.com

Chairman Smith, Vice Chair Waldstreicher and members of the committee, my name is Maryam Tabrizi and I live in Bethesda Maryland and have been living in condominium communities for over 23 years. I am writing to express my strong support of SB 866.

I have been a resident of condominium communities for over 23 years and I have also been on the Board of Directors of my condominium. As a resident and previous Board member of condominium communities I have become educated and well versed in community by-laws and both Maryland laws and regulations pertaining to the operation of condominiums- common ownership communities.

I very much appreciate all the work that the Maryland Legislature has done over the years to pass legislation for common ownership communities regarding annual meetings, elections, reserve funding, transparency to community members, open/closed meetings, etc.

As a resident who is knowledgeable of community governing by-laws and Maryland law and regulations pertaining to condominiums, I have struggled very much to educate both my condo board members and property managers of Maryland law and regulations and ensure my communities are not only following Maryland law and regulations, but also follow community governing documents. Currently there is no formal oversight of condominium communities to ensure compliance with Maryland laws and regulations.

I fully support the creation of a Common Ownership Community Ombudsman Unit in the Division of Consumer Protection in the Office of the Attorney General to assist community members in understanding member rights under laws and regulations governing common ownership communities, provide guidance, and provide referrals to public and private dispute resolutions.

Passing SB 866 would help all Marylanders who live in common ownership communities.

Thank you very much, Maryam Tabrizi

SB866 MSBA

Uploaded by: Shaoli Sarkar, Esq.

Position: FAV



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Baltimore, MD 21201
410-685-7878 | msba.org

Annapolis Office
200 Duke of Gloucester Street
Annapolis, MD 21401
410-269-6464 | msba.org

To: Members of the Environment and Transportation Committee

From: Jim Pauli, Chair, Alternative Dispute Resolution (ADR) Section Council of the MSBA, Government Affairs Committee

Date: February 12, 2025

Subject: SB-866- Common Ownership Communities- Ombudsman Unit;

Position: **Support** efforts to expand ADR to Common Ownership Communities;

The Maryland State Bar Association generally supports any efforts to expand the use of Alternative Dispute Resolution processes and any corresponding infrastructure to accomplish that goal.

Common Ownership Communities closely share and jointly govern their living space. This often creates conflict amongst the members of the community. Establishing an Ombudsman Unit in the Consumer Protection Division of the Office of the Attorney General is an important step towards encouraging a culture of conflict resolution within these Common Ownership Communities.

This is a cross-filed with the House Environment and Transportation Committee as HB 306. We urge a favorable Committee report and that you conform this bill to HB 306.

Again, the MSBA generally supports SB 866 and urges a favorable Committee Report and that it be conformed to HB-306.

Should you have any questions, please contact Jim Pauli at jim.pauli.ijs@gmail.com.

SB866 KCTHA2

Uploaded by: Sonia Socha

Position: FAV

SONIA SOCHA, VP/TREASURER, KCTHA2 – 222 TOWNHOMES, BALTO COUNTY – DISTRICT 8

Yes, COCs should be registered with the State of MD and with each of their counties. This is long overdue!

Over 50 years these organizations were created with no organizational system for registration, communication, coordination, support, providing knowledge and advice or anything else. Yet, COCs survived and managed their way *and without being told what to do with their funding and operations.* **We do not need the State to be stepping in now to tell us how to run our budgets and reserves!!** *As the state and counties are working towards operationalizing a statewide system, steps should be taken logically and with sufficient COC dialogue.*

As a 40+ year resident of my HOA, and having served on the board twice (including President) now totaling almost ten years, I am amazed at the number of bills now being filed about COC operation. *My concern is that it is too much, too fast without sufficient time for more COCs to become informed and process what is being proposed in each of the bills.* This 'movement' seemed to start during COVID when many COCs were not meeting regularly—and in some cases not at all.

SB866/HB306 finally sets the stage for a way to communicate with the over 7000 COCs in the State. It provides a way for them to have support from the state and their county—assuming their county establishes a commission. Given that it has been 50 years and this statewide effort has not been done before, it will come as a surprise to many, and perhaps a challenge to effectively operationalize. *More time should be allotted to set the groundwork with the state and each county and the COCs within them. KCTHA2 would suggest not implementing this bill until all counties have been informed, have communicated with their COCs and provided input.*

In speaking with Baltimore County bill writers, who I am working with to move ahead with last year's HB280, they have no idea there were "local commission" bills being proposed. Delegate Holmes mentioned in his testimony last week in the ENT hearing, that Baltimore County was very interested in a local commission. *The question is, "who" is interested—and who knows about this in Baltimore County?* **Are they testifying in favor?**

Which COCs in Baltimore County (and other counties) know about this bill and do they understand how it will affect their operation? Will it help them? Should there be more dialogue with them so that they understand the full impact of this bill? KCTHA2 and the other boards within our Master Association are just finding out about this bill. We will discuss it at our board/community meeting this Thursday evening.

One concern KCTHA2 has is the fee payments. It needs to be clear that paying a fee once or for an amendment is all that it will cost both with the state and the county unless a dispute is filed. Our owners are mostly first-time homebuyers and retirees and cannot afford to pay additional assessments. A significant number cannot afford to pay their quarterly fees!

A second concern is that there never be required board training for COCs. It should be made available to those interested in taking training—either by the state and or county and be free of charge. But no board in Maryland is mandated to be trained and certified. **COCs will never get volunteers to serve if it is required.**

What the state should mandate is that unit/homeowners take a course and pass it before settling on their property. Because, it is the owner who must understand what they are buying into! Without educated owners, COCs will eventually fall apart. If owners understood their rights, responsibilities, and COC operations, there would not be as much constraint with boards.

2025 Maryland Legislature - SB728 SB758 SB777 SB78

Uploaded by: Steve Horvath

Position: FWA



HOMEOWNERS
OF AMERICA
UNITED

February 21, 2025

My name is Steve Horvath. *Homeowners of America (HOA) United* is a nonprofit organization funded entirely by member donations that connects homeowners to provide advocacy, collaboration, education, empowerment, and inspiration to create positive, transformative impacts for common interest communities. A number of our members are Maryland COC homeowners.

Thank you for considering testimony from *HOA United*.

Sincerely,

Steve Horvath
Co-Founder, HOA United

Testimony for [SB728](#)

Charles County - Governing Bodies of COCs - Member Training

HOA United recommends a favorable report on this bill in concept because training is important, but also encourages you to maintain consistent standards across the state and allow local commissions to set minimum requirements for COCs that remain unaddressed in state law. [Montgomery](#) and [Prince George's](#) county commissions have proven to be successful vehicles to provide information and resources to COC owners and their condos and HOAs.

The entire institution of common interest housing rests on the resources of individual owners—their money, judgment, loyalty, commitment, organizational expertise, and social skills. There is virtually no institutional support for them, except for the professionals they are able to hire to advise them and to carry out delegated tasks. — Evan McKenzie | [Rethinking Residential Private Government in the US: Recent Trends in Practices and Policy](#) | 2016

Boards draw their membership from people whose work experience is in other sectors—government and business. Many conflicts on boards and between boards and executives result from the introduction of practices and values that may be appropriate to the way other sectors do business, but which may be incompatible with nonprofits' legal and ethical obligations. — Marion Peters Angelica | 1999 | [🔗](#)

"Community associations occupy a space that lies somewhere between public governments and private businesses... As common interest communities have become more prevalent, the legal and social challenges they post have become more apparent." — Susan F. French | 2005 | [🔗](#)

Testimony for [SB758](#) **Condominiums and HOAs - Elections, Financial Statements, and Enforcement**

HOA United recommends a favorable report on this bill with amendments to streamline the language and provide additional standards established by multiple other states. Consider the levers that contribute to fair elections:

1. **Require ballots as you would expect in any election for local, state or federal government.** Arizona requires ballots for COCs (reference [ARS 33-1812](#)).
2. **If proxies are allowed, require directed proxies.** Undirected proxies are a source of election harvesting. Nevada began requiring directed proxies years ago (reference [NRS 116.311](#)).
3. **Consider vote recount procedures** like Texas (reference [TPC 209.0057](#)).
4. **Prohibit exclusionary candidacy practices.** Reference [CA Civil Code §5100-5145](#), [CRS 38-33.3-310](#), [718.112\(1\)\(d\)\(2\)](#), [765 ILCS 605/18\(a\)\(1\)](#), [NRS 116.31034\(10\)\(11\)\(12\)\(13\)](#), [116.31034\(16\)\(17\)](#) and [116.31035](#), [TPC 209.00591](#) and [PA Title 68 - §3308](#).

EXAMPLE LANGUAGE EXCERPTS

View more in [Election Recommendations](#)

Consider in context with [Maryland Real Property Title 11, Section 109](#)

CANDIDACY AND ACCESS TO RESOURCES

- *(a) Notwithstanding any contrary provision in the declaration or organizational documents, prior to an election of board members or appointment to fill vacancies of the board, the association must provide notice to all unit owners of the following:*
 - (i) The number of board positions that may be filled;*
 - (ii) The qualifications to be a board candidate, if any; and*
 - (iii) The process, manner, and deadline for submitting nominations which shall allow potential candidates at least fourteen (14) days after receipt of the notice required by this section to submit their interest to become a candidate.*
- (b) An association shall not adopt any rule or regulation that has the effect of prohibiting or unreasonably interfering with a candidate in the candidate's campaign for election as a member of the executive board, except that the candidate's campaign may be limited to 90 days before the date that ballots are required to be returned to the association.*
- (c) A nomination or election procedure shall not be deemed reasonable if it:*
 - (i) it discourages participation;*
 - (ii) disadvantages any member based on any class protected by [RCW 49.60.224](#);*
 - (iii) disallows any member from nominating themselves for election to the board; or*
 - (iv) encourages members to vote for a particular candidate based on their selection by a nominating committee or the board*
- ***equal access shall be provided to association media, newsletters, or internet websites or web portals during a campaign for purposes that are reasonably related to that election to all candidates and members advocating a point of view reasonably related to the election. The association shall not edit or redact any content from these communications, but may include a statement specifying that the candidate or member, and not the association, is responsible for that content.***
- ***equal access to the common area meeting space, if any exists, during a campaign, at no cost, to all candidates, including those who are not incumbents, and to all members advocating a point of view, including those not endorsed by the board, for purposes reasonably related to the election.***
- ***in the event that there are more candidates than open positions on the board, then, upon request of one or more of the candidates, the association shall permit each***

candidate for a board position equal time to address the unit owners during a meeting before the close of the election period.

- *If the number of board members whose terms expire at the annual meeting equals or exceeds the number of candidates, the candidates become members of the board effective upon the adjournment of the annual meeting.*

BALLOT COUNTING

- *At a meeting of unit owners held pursuant to this section, the secret ballots physically received by the association must be opened and counted and the results of the secret ballots received by the association by electronic means must be reviewed, announced, and recorded in the meeting minutes. A quorum is not required to be present when the secret ballots physically received by the association are opened and counted or the results of the secret ballots received by the association by electronic means are reviewed, announced, and recorded in the meeting minutes.*
- *The incumbent members of the board and each person whose name is placed on the ballot as a candidate for membership on the board may not possess, be given access to, or participate in the opening or counting of the secret ballots that the association physically receives, or the collection of data regarding the secret ballots that the association receives by electronic means, before those secret ballots have been opened and counted or reviewed, announced, and recorded in the meeting minutes, as applicable, at a meeting of the association.*

BALLOT REQUIREMENTS

- *An association with over 100 units must provide absentee ballots to all Unit owners pursuant to subsection (4) of this section and all associations containing 100 or more units whose annual operating budget exceeds \$100,000 and associations whose annual gross revenue exceeds \$250,000 must allow, but not require, owners to cast their ballots electronically.*
- *Absentee ballots must provide the option for owners to have their ballot count toward quorum without casting any vote in the affirmative or negative and, for election matters, must:*
 - (i) designate space for members to write-in one or more candidates of their choice;*
 - (ii) contain the name of each candidate and proposal to be voted upon; and*
 - (iii) for associations containing 100 or more units whose annual gross revenue exceeds \$100,000, be supervised by an independent inspector.*

↓ WHEN STATE LAW HAS INADEQUATE PROXY REQUIREMENTS ↓

Country Club Estates Condominium Homes

PROXY

Annual Meeting: March 28, 2024

If you return your Proxy *before* the meeting you do not need to attend.

I certify that I am an Owner of the Property below and I give _____ (my proxy) permission to vote for me at the Annual Meeting.

(If blank, then President Marianne Andringa is designated with power of succession)

This proxy confers authority to the person named herein to exercise his or her best judgment in voting on any matters as they may be properly presented at the Annual Meeting on March 28, 2024, or any adjourned meetings thereof.

Testimony for [SB777](#)

Howard County - Common Ownership Communities - Funding of Reserve Accounts and Preparation of Funding Plans Ho. Co. 4-25

HOA United recommends a UNfavorable report on this bill. The state of Maryland should maintain consistent standards for condominiums, cooperatives and HOAs and amend current state law pursuant to recommendations for SB787, HB292 and SB63.

Testimony for [SB787](#) | Reference [HB292](#) + [SB63](#) | [HB1133](#)

Cooperative Housing Corporations and Condominiums - Funding of Reserve Accounts and Timing of Reserve Studies

HOA United recommends a favorable report with an amendment. Please consider the following recommendations and read [The Myth of Full Funding](#):

- **Fiscal Ramp for Reserves:** One glance at Florida's still unfolding condo special assessment catastrophe should prompt every legislator to move with haste to elongate the glide path for reserve funding. Moving from 3 years to 5 years is an improvement, but even 5 years is insufficient for current owners to compensate for decades (up to 60 years) of insufficient reserve practices and deferred

maintenance. 10 years for "full funding" would be a more reasonable ramp with milestones along the way.

- **Frequency of Reserve Studies:** Follow Washington's lead. Reserve studies should be updated annually which can be accomplished using a slightly sophisticated spreadsheet, with "professional" oversight every 3 years at most. 5 year intervals are too infrequent.
- **Expertise:** Credentials aren't enough. Create accountability for firms and individuals who identify as reserve study "professionals." Reserve studies need to be: comprehensive, accurate and precise. Planning tools don't work well when the expected useful life is off by half or the replacement cost is double, triple or more.

Consider a requirement to have subject matter experts involved at least every 5 years to provide bids and estimates for major components. Elevator experts should provide information for elevators. Roofing experts should provide useful life and costs for roofs. And so on.

- **Defining Reserve Components:** *A reserve study must include a list containing any component provided by the developer pursuant to [Section 11-132] and any additional component for which the cost of inspection, maintenance, repair and/or replacement is not consistently included as a line-item in the association's annual budget.*
- **Requiring a list of components as structured data:** *A reserve study must include quantities and estimates for the useful life of each reserve component, the remaining useful life of each reserve component, and current major replacement costs for each reserve component.*

Whether provided as part of or integrated into a reserve study report, the reserve study components, quantities, estimated useful life, remaining useful life and current replacement costs must also be provided as discrete data in a structured format that can be filtered and sorted by the association using a typical office software program. [Not in an inscrutable PDF.]

- [Section 11-132 - Documents to be delivered to council of unit owners by developer](#)
 - Sub (4) requires turnover of "any report relating to the reserves"
 - Sub (10) requires *drawings, architectural plans, and other suitable documents setting forth the necessary information for location, maintenance and repair of all condominium facilities*

- Require developers to compile a structured list of all components that need to be inspected, maintained, repaired and/or replaced over the life of a building.
 - [Section 11-109\(c\)\(16\)](#) requires a turnover meeting within 60 days from the date of conveyance of 50% of the allocated interest. The initial reserve study is due not less than 30 days before that turnover, but that's too late.
 - Require developers to perform an initial reserve study within the earlier of the existing requirement OR within 60 days of obtaining a certificate of occupancy.
-

Testimony for [SB817](#) / [HB363](#)

Common Ownership Communities - Candidate or Proposition Signs - Display Period

HOA United recommends a favorable report with an amendment to:

1. **Simplify the language.** The recommended language below uses 4 subsections to accomplish what takes 11 subsections in the proposed bill.
2. Ensure that signs can be **posted to support ballot initiatives within the COC.**
3. Ensure that signs can be **posted continuously throughout an advocacy cycle.**

EXAMPLE LANGUAGE

(a) Except as provided in subsection (b) of this section, a recorded covenant or restriction, a provision in a declaration, or a provision in the bylaws or rules of a [COC] may not prohibit or restrict the display of:

(1) signs, including outdoor signs, regarding candidates for public or association office, or ballot issues related to the [COC], or any question submitted to the voters in accordance with the Election Law Article, on or within a unit or limited common element

[update the language to reference lots in HOAs as needed]

(b) An association may adopt reasonable rules pertaining to the placement and manner of signs and may limit the time period during which signs may be displayed continuously to no less than 30 days before the beginning of the earliest of an applicable primary election, general election or other vote or election related to any subject of subsection (a)(1) of this section and

to no less than 7 days after the conclusion of voting in a general election or other vote or election related to the same.

(c) If there is early voting, the time periods specified in subsection (b) of this section shall be extended to begin 30 days before the start of early voting.

Testimony for [SB866](#) / [HB306](#) **Common Ownership Communities - Ombudsman Unit, Governing Document Database, and Local Commissions**

HOA United recommends a careful consideration of this bill. Maryland's existing state law allows for AG enforcement that the AG refuses to take. That's probably the best place to start.

The Senate *Judicial Proceedings Committee* [heard testimony from Karen Strong of the Maryland Attorney General's Office of Consumer Protection](#) on February 14, 2024 stating:

The Office of the Attorney General does NOT represent individuals...

Quite simply, the Maryland AG Office of Consumer Protection refuses to enforce the provisions of [§11-130](#) and [§11B-115](#) for the overwhelming majority of circumstances and especially when concerns are raised by an individual COC owner. Here's the pertinent excerpt from the two aforementioned sections (with emphasis):

In this section, "consumer" means an actual or prospective purchaser, lessee, assignee, or recipient of a condominium unit or lot in a development.

To the extent that a violation of ANY provision of this title affects a consumer, that violation SHALL be within the scope of the enforcement duties and powers of the Division of Consumer Protection of the Office of the Attorney General, as described in Title 13 of the Commercial Law Article.

If Maryland continues to allow its AG to disregard enforcement authority prescribed by state law, it only seems prudent that the legislature should adopt additional, binding consumer protections; however, this bill does not provide binding enforcement authority to an ombudsman unit. State agencies in Colorado, Delaware, Florida, Illinois, Nevada, South Carolina and Virginia all collect complaint statistics. CAI has [disfavorably reported](#) on ombuds programs for years, in part due to the non-binding nature of many

such programs. To the contrary, the leaders of these programs believe they can and do provide positive results:

"In many cases, the threat of public accountability is enough to get condo boards to respond to complaints..." — [Heather Gillespie](#) has served as the Virginia State community association Ombudsman since 2018.

⚠ Governmental oversight can also have shortcomings. **Before reforms in 2024 to add binding regulatory authority and millions more dollars in funding, Spencer Hennings called Florida's DBPR ombuds program a "toothless tiger."** [Watch the 11/14/23 testimony](#) from Florida's Senate Committee on Regulated Industries (start at minute 15):

"I think it's quite confusing to have a 120 page condominium act filled with laws that there is no enforcement for. I can't tell you how many, probably thousands of times condominium owners throughout the state would call me and say "My association is clearly violating this law. Who do I call? Who do I go to? What do I do?"

"And so many times I would have to tell those people: I'm sorry, there is a law and you're right, they're probably violating it based on what you're telling me, but there's no one to enforce this, so hire a lawyer, good luck. I hope you have \$200,000 to spend because that's what it's going to take to enforce this law." — Spencer Hennings, former Florida Condominium Ombudsman

The [Condominium Authority of Ontario \(CAO\) Condominium Authority Tribunal \(CAT\)](#) is the best example of efficient, effective, low-cost, high-functioning binding government COC oversight.

MBIA Letter of Opposition SB 866.pdf

Uploaded by: Lori Graf

Position: UNF

February 20th, 2025

The Honorable William C. Smith Jr.
Chair, Senate Judicial Proceedings Committee
2 East Miller Senate Office Building
Annapolis, MD, 21401

RE: MBIA Letter of Opposition SB 866 Common Ownership Communities – Ombudsman Unit, Governing Document Database, and Local Commissions

Dear Chairman Smith:

The Maryland Building Industry Association, representing 100,000 employees of the building industry across the State of Maryland, appreciates the opportunity to participate in the discussion surrounding **SB 866 Common Ownership Communities – Ombudsman Unit, Governing Document Database, and Local Commissions**. MBIA opposes this measure.

This bill requires common ownership communities to file governing documents with the Department of Housing and Community Development and sets requirements for local common ownership communities. Homeowners' associations (HOAs) already submit a depository statement, and condominiums file a public offering statement with the Secretary of State. It is unclear whether these new requirements replace, or add to the existing requirements.

We also believe the fine structure in the bill is unclear. The bill allows for a \$500 fine for failing to file governing documents, but does not specify whether this is imposed each time a document is not timely filed, or if this is a one-time penalty. If it is not a one-time penalty, this could place excessive financial burdens on our members.

The definition of dispute under proposed Title 11-C is overly broad and would include decisions made by the board of directors of a common ownership community in connection with the enforcement of the governing documents. The definition would also include any disagreement involving a board's authority to carry out its ordinary obligations such as levying assessments, regulating the use of common areas, spending association funds, etc. Further, there is no exclusion or limitation for actions by developer-controlled boards.

The bill does not clearly define how the newly created Common Ownership Community Ombudsman unit will interact with established or future local commissions. This could lead to an influx of complaints by homeowners and will have a negative impact on association resources, particularly during the period of declarant control.

For these reasons, MBIA respectfully requests the Committee give this measure an unfavorable report. Thank you for your consideration. For more information about this position, please contact Lori Graf at 410-800-7327 or lgraf@marylandbuilders.org.

cc: Members of the Senate Judicial Proceedings Committee

SB 866 ltr to Senate JPR 02-18-2025.pdf

Uploaded by: Robin Manougian

Position: UNF

Vicki Caine, Chair
Igor Conev, CMCA, AMS, PCAM, CIRMS, Vice Chair
Brenda Wakefield, CMCA, AMS, Secretary

Marie Fowler, PCAM, Treasurer
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Kathleen M. Elmore, Esq., Member
Cynthia Hitt Kent, Esq., Member
Barbara Leonard, Member
Chris Majerle, PCAM, Member

Robin Manougian, CIRMS, Member
John Oliveri, Esq., Member
Nura Rafati, Esq., Member
Susan Saltsman, CMCA, AMS, Member
Scott Silverman, Esq., Member
Ellen Throop, Esq., Member
Tricia A. Walsh, CISR, Member

February 18, 2025

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Senator William C. Smith, Jr., Chair
Senator Jeff Waldstreicher, Vice Chair
2 East Miller Senate Office Building
11 Bladen Street
Annapolis, MD 21401

Re: SB 866 (Cross-filed with HB306)
Common Ownership Communities - Ombudsman Unit, Governing Document Database,
and Local Commissions
Position: OPPOSE
Hearing Date: February 25, 2025

Dear Chairman Smith, Vice-Chair Waldstreicher, and Members of the Judicial Proceedings 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, as well as condominiums, homeowners' associations, and cooperatives throughout the State of Maryland and throughout the United States.

MD-LAC opposes SB 866. Our opposition is based upon CAI's long-standing and well-researched position that new ombudsman or similar programs are not the best solution to the issues of common interest ownership properties. **CAI instead advocates for education of homeowners' rights and**

Page 2, Senate Bill 866
Community Associations Institute

responsibilities and community-led solutions that best meet the unique needs of each association. CAI has found that the educational approach for conflict resolution prevents issues before adversarial situations arise and is a much better solution.

We respectfully request that the Committee give SB 866 an **unfavorable report**. 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, Vicki Caine, Chair of the MD-LAC, by e-mail at mdlacchair1@gmail.com, or Robin Manougian, CIRMS, member, MD-LAC, by e-mail at Robin.Manougian@baldwin.com, Kathleen Elmore, Esq., member, MD-LAC, by e-mail [to kelmore@el-grp.com](mailto:kelmore@el-grp.com).

Sincerely,

Robin C. Manougian

Robin C. Manougian
Member, CAI MD-LAC

Vicki Caine

Vicki Caine
Chair, CAI MD-LAC

Kathleen Elmore

Kathleen Elmore, Esq.
Member, CAI MD-LAC

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Position: UNF

HON. STACY A. MAYER
CIRCUIT COURT
JUDGE
BALTIMORE COUNTY
CHAIR

HON. RICHARD SANDY
CIRCUIT COURT
JUDGE
FREDERICK COUNTY
VICE-CHAIR



KELLEY O'CONNOR
ASSISTANT STATE COURT
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MARYLAND JUDICIAL COUNCIL LEGISLATIVE COMMITTEE

MEMORANDUM

TO: Senate Judicial Proceedings Committee
FROM: Legislative Committee
Suzanne D. Pelz, Esq.
410-260-1523
RE: Senate Bill 866
Common Ownership Communities – Ombudsman Unit, Governing
Document Database, and Local Commissions
DATE: February 4, 2025
(2/25)
POSITION: Oppose, as drafted

The Maryland Judiciary opposes Senate Bill 866, as drafted. The Judiciary has no position on the policy aims of the legislation, however, and notes its opposition only as to the particular provisions listed below on page 19.

The mandatory consolidation provision on page 19, lines 10–11 takes away necessary judicial discretion given the breadth of potential cases potentially included. The Judiciary would request that the consolidation be within the trial judge's discretion to appropriately consider the unique factors of the various cases.

In addition, on page 19, lines 8-9, "court of competent jurisdiction" is not defined. It is unclear whether the designation depends on the amount in controversy or whether the circuit court has exclusive original jurisdiction. The Judiciary believes that legislative clarification would be beneficial in that regard.

Finally, the language on page 19 regarding appeals is unclear. The language indicating that "the court shall sustain the decision of the hearing panel" in certain circumstances could be interpreted to suggest that the appeal is on the record, but the bill also provides

that a hearing is de novo. Clarification as to the manner of appeal would ensure that the court hearing the appeal, and the litigants themselves, understand the procedural posture and requirements of the hearing. Further, if the court of competent jurisdiction is intended to include the District Court, it would be unusual as the District Court does not currently conduct record appeals.

cc. Hon. C. Anthony Muse
Judicial Council
Legislative Committee
Kelley O'Connor