

Department of Legislative Services
Maryland General Assembly
2024 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 1010 (Delegate Terrasa, *et al.*)
Environment and Transportation

**Condominiums and Homeowners Associations - Governing Documents - Electric
Vehicle Recharging Equipment**

This bill establishes that provisions of the governing documents of a condominium or homeowners association (HOA) that effectively prohibit or unreasonably restrict the governing body of the community from installing or authorizing the installation of electric vehicle recharging equipment in *common use or limited common use parking space* are void and unenforceable. The bill also authorizes the governing body of a condominium or HOA to grant a license for up to three years, renewable at the discretion of the governing body, on any common element necessary for the installation of equipment or for the supply of electricity to any electric vehicle recharging equipment.

Fiscal Summary

State Effect: The bill is not anticipated to materially affect State operations or finances.

Local Effect: The bill is not anticipated to materially affect local government revenues or expenditures.

Small Business Effect: Minimal.

Analysis

Current Law: “Electric vehicle recharging equipment” means property in the State that is used for recharging motor vehicles propelled by electricity.

Sections 11-111.4 and 11B-111.8 of the Real Property Article govern the process for the installation and use of electric vehicle recharging equipment within a condominium or

HOA community, respectively, *in a unit/lot owner's deeded parking space or a parking space that is specifically designated for use by a particular owner*. Generally, if approval is required, the governing body of the condominium or HOA must process and review an application for approval of the installation/use of electric vehicle recharging equipment in the same manner as an application for approval of an architectural modification to the condominium/dwelling within an HOA. The governing body must approve the installation if it does not unreasonably impede the normal use of an area outside the unit/lot owner's parking space and is reasonably possible. The governing body of a condominium or HOA is authorized under these provisions to grant a license for up to three years, renewable at the discretion of the governing body, on any common element necessary for the installation of equipment or for the supply of electricity to any electric vehicle recharging equipment.

Any provisions of governing documents for condominiums and HOAs (including the bylaws, covenants, or other restrictions) are void and unenforceable if they (1) are in conflict with the aforementioned provisions or (2) effectively prohibit or unreasonably restrict the installation or use of electric vehicle recharging equipment in a unit/lot owner's deeded parking space or a parking space that is specifically designated for use by a particular owner.

For more information on condominiums and HOAs – which, along with cooperative housing corporations, are collectively known as common ownership communities – see the **Appendix – Common Ownership Communities**.

Additional Information

Recent Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: None.

Information Source(s): Office of the Attorney General (Consumer Protection Division); Judiciary (Administrative Office of the Courts); Department of Legislative Services

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km/jkb

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Appendix – Common Ownership Communities

When a person purchases a single-family home, condominium, or an interest in a cooperative housing corporation, he or she may also be required to join an association of owners, which is intended to act in the common interests of all the homeowners, condominium unit owners, or cooperative owners in the community. Collectively, these associations are often referred to as common ownership communities (COCs). In Maryland, a growing number of newly constructed or newly converted residences are located in some form of a COC. Because registration of the various COCs is not required statewide, the exact number of COCs in Maryland is unknown. However, the Foundation for Community Association Research estimated that there were 7,100 community associations with an estimated 1 million residents in these associations in the State in 2023.

The affairs of a condominium are governed by a council of unit owners, which comprises all unit owners. Among other powers, the council of unit owners has the power to impose assessments on the unit owners to pay common expenses. A council of unit owners may delegate its powers to a board of directors, officers, or a managing agent. Condominiums are governed under Title 11 of the Real Property Article.

Many new housing developments are subject to a homeowners association (HOA) that is created by a governing document and has the authority to impose mandatory fees on lots in the development in connection with the provision of services or for the benefit of the lots, the lot owners, or the common areas. HOAs are governed under Title 11B of the Real Property Article.

A cooperative housing corporation or “cooperative” is a corporation that owns real property. A resident of a cooperative does not own his or her unit; instead, the person owns an interest in the corporation, which leases the unit to the person for residential use. Cooperatives are governed by the laws in Title 5, Subtitle 6B of the Corporations and Associations Article.

Condominiums and HOAs may be authorized by their governing documents to impose liens on units or lots to collect unpaid assessments or fees. In a cooperative, the governing documents usually provide for the collection of delinquent fees, and evictions for outstanding fees are generally pursued by way of a landlord-tenant action.

Task Force on Common Ownership Communities

With a growing number of Marylanders residing in COCs, and evidence that some COCs had issues with governance, dispute resolution, and financial stability, the

General Assembly created the Task Force on Common Ownership Communities in 2005 (Chapter 469 of 2005). The issues addressed by the task force included the availability of alternative dispute resolution services, special considerations of aging COCs, collection of assessments, and resale of homes within COCs. The task force met 10 times, held five public hearings, and submitted its [final report](#) in December 2006. The report's findings and recommendations have served, in subsequent years, as the basis for numerous pieces of legislation intended to improve the operation of COCs.

The task force's report also featured findings and recommendations relating to the creation of an ombudsman in local governments. Since the report's release, Prince George's County created its Common Ownership Communities Program in 2007 with the stated purpose of assisting governing bodies, as well as owners and residents of HOAs, residential condominiums, and cooperative housing corporations, with education, training, and alternative dispute resolution. Charles and Montgomery counties have offices dedicated to COCs that predate the task force.