

**Department of Fiscal Services**  
Maryland General Assembly

**FISCAL NOTE**

House Bill 1127 (Delegate Genn, et al.)  
Economic Matters

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**Maryland Homeowners Association Act**

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This bill specifies the powers of homeowners associations, which include adopting and amending rules and regulations, imposing fees for late payments of assessments, and, after a hearing has been conducted, levying reasonable fines for violation of the declarations, bylaws, or rules and regulations of the association.

The bill provides that a lot owner is liable for assessments imposed by a homeowners association, and sets forth actions homeowners associations may take when a lot owner fails to pay. If a lot owner voluntarily grants a lot, the grantor and grantee are both liable for any assessments the grantor owed prior to the grant, even though the grantee can recover from the grantor the portion of the assessments paid by the grantee.

The bill also explains conditions under which a homeowners association may take actions against violators of the rules, and provides that violators of laws or declarations, bylaws, or decisions of a homeowners association may be sued for damages, injunctive relief, or both by the homeowners association or another lot owner.

The provisions of this bill only apply to rules adopted or dispute mechanisms provided after the effective date of the bill.

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**Fiscal Summary**

**State Effect:** None. Assuming that the Consumer Protection Division will receive fewer than 50 complaints per year stemming from this bill, existing resources should be adequate to handle any additional workload.

**Local Effect:** None.

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**Information Source(s):** Judiciary (Administrative Office of the Courts), Secretary of State, Attorney General's Office (Consumer Protection Division), Department of Fiscal Services

**Fiscal Note History:** First Reader - February 20, 1996

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