

Department of Legislative Services
Maryland General Assembly

FISCAL NOTE

House Bill 44 (Delegate Kagan. *et al.*)

Economic Matters

**Condominiums, Homeowners Associations, and Cooperatives -
No-Impact Home-Based Businesses**

This bill provides that a condominium or homeowners association may not prohibit the use of a unit for a “no-impact home-based business” unless the prohibition is approved by a simple majority of the eligible voters of the condominium or homeowners association. A condominium or homeowners association may impose a fee of up to \$50 per year on such a business for the use of common areas. A condominium or homeowners association may also require residents to notify the condominium or association before opening a no-impact home-based business. The bill prohibits a cooperative housing corporation from restricting a no-impact home-based business, but allows the corporation to restrict such a business in any common element, as could condominiums and homeowners associations.

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.

Small Business Effect: Minimal impact on small businesses. This bill could affect no-impact home-based businesses since it allows a condominium or homeowners association to impose a fee of up to \$50 per year for the use of common areas. The bill requires such associations to allow no-impact home-based businesses if a simple majority of the members approve such use.

Fiscal Analysis

Background: A no-impact home-based business is defined as a business that: (1) is consistent with the residential character of the dwelling; (2) is subordinate to the dwelling's use for residential purposes and requires no external modifications that detract from the residential appearance of the dwelling unit; (3) uses no equipment or process that creates noise, vibration, glare, fumes, odors, or electrical or electronic interference detectable by neighbors or that causes an increase of common expenses that can be solely and directly attributable to a no-impact home-based business; and (4) does not involve use, storage, or disposal of any grouping or classification of materials that the United States Secretary of Transportation, the State, or any local governing body designates as a hazardous material.

Information Sources: Office of the Attorney General (Consumer Protection Division), Department of Assessments and Taxation, Prince George's County, Dorchester County, Anne Arundel County, Garrett County, Department of Legislative Services

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