

Department of Legislative Services
Maryland General Assembly

FISCAL NOTE
Revised

Senate Bill 94 (Senator Dorman. *et al.*)

Judicial Proceedings

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

This bill allows a condominium or homeowners association to restrict or prohibit a “no-impact home-based business” in any common elements, and allows a condominium or homeowners association to impose a fee of up to \$50 per year 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 also provides that the operation of a no-impact home-based business in a cooperative housing corporation is permitted unless a corporation’s articles of incorporation, bylaws, or proprietary leases expressly prohibit it. A cooperative housing corporation may also restrict or prohibit a no-impact home-based business in any common elements and impose a fee of up to \$50 per year for the use of common areas.

The bill’s provisions do not apply to any condominium, homeowners association, or cooperative housing corporation that adopts procedures for the regulation or prohibition of no-impact home-based businesses before July 1, 1999.

This bill is effective July 1, 1998.

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, homeowners association, or

cooperative housing corporation to impose a fee of up to \$50 per year for the use of common areas.

Fiscal Analysis

Bill Summary: 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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nncs Revised - Senate Third Reader - April 3, 1998
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