

Department of Legislative Services
Maryland General Assembly
1999 Session

FISCAL NOTE

House Bill 803 (Delegate Petzold)

Economic Matters

Homeowners Associations - Family Day Care Homes

This bill provides that a homeowners association may not prohibit the use of a residence as a family day care home or no-impact home-based business in its declaration, bylaws, or recorded covenants and restrictions until the lot owners, other than the developer, have 90% of the votes in the homeowners association. The bill also specifies that the prohibition cannot be enforced until a simple majority of the total eligible voters in the homeowners association, not including the developer, approve of the provision under the voting procedures contained in the declaration or bylaws of the homeowners association. The bill also repeals current law that allows homeowners associations to include in their bylaws, rules, or recorded covenants and restrictions a provision that regulates the number or percentage of family day care homes operating in the homeowners association, provided that the percentage of family day care homes permitted may not be less than 7.5% of the total residences of the homeowners association.

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: Potential meaningful. This bill could increase the number of family day care homes and no-impact businesses that are operated within the home.

Information Source(s): Attorney General's Office (Consumer Protection Division),
Department of Legislative Services

Fiscal Note History: First Reader - March 10, 1999

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