

Department of Legislative Services
Maryland General Assembly
2005 Session

FISCAL AND POLICY NOTE
Revised

House Bill 522

(Delegate Pendergrass, *et al.*)

Environmental Matters

Judicial Proceedings

Homeowners Associations - Annual Charges

This bill requires a homeowners association that bases its annual fee on property assessment values to take into account, for an improved property, any reduction in assessed value that may have been made by a State or county assessment office after or by reason of, a protest, appeal, credit, or other adjustment. The bill applies to a homeowners association in a development that contains at least 13,000 acres and has a population of at least 80,000.

The bill takes effect June 1, 2005.

Fiscal Summary

State Effect: None.

Local Effect: None. The bill does not affect local property taxes.

Small Business Effect: Minimal.

Analysis

Current Law: Homeowners associations in Maryland are governed by each association's specific governing documents and the Maryland Homeowners Association Act. The Act provides for items that may not be specifically mentioned in individual association's governing documents, but the Act does not provide a limitation on homeowners association fees.

Background: The only homeowners association that meets the requirements of the bill in terms of acreage and population is the Columbia Association in Howard County. Approximately 90,000 people reside in Columbia.

The Columbia Association levies an *ad valorem* charge (based upon the assessment) on all taxable accounts located in Columbia. According to the Columbia Association, there are 26,202 properties against which the Columbia Association charges are being levied. Of these, 845 are commercial and 25,357 are residential.

Howard County is responsible for providing assessment information to the Columbia Association. The State Department of Assessments and Taxation notifies the county of any changes in assessment due to appeals.

In calendar 2004, owners of 314 properties subject to the Columbia Association fee appealed their assessment. In calendar 2003, 265 property owners appealed their assessment.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): State Department of Assessments and Taxation, Howard County, Department of Legislative Services

Fiscal Note History: First Reader - February 15, 2005
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