

HOUSE BILL 999

N1

71r3083
CF SB 288

By: **Delegate McConkey**

Introduced and read first time: February 9, 2007

Assigned to: Environmental Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Real Property – Common Ownership Community Ombudsman**

3 FOR the purpose of establishing the office of Common Ownership Community
4 Ombudsman in the Department of Labor, Licensing, and Regulation; providing
5 for the appointment, service, qualifications, and salary of the Ombudsman;
6 authorizing the Ombudsman to employ a staff; requiring the Ombudsman to
7 perform certain duties; authorizing the Ombudsman to adopt and enforce
8 certain regulations; requiring a common ownership community to register by a
9 certain date with the Ombudsman; requiring the registration form to include
10 certain information; providing that a common ownership community is exempt
11 from registration if it is required to register under a certain local common
12 ownership community registration system; requiring the Ombudsman to charge
13 a fee for registration; providing that the fee may not exceed a certain amount;
14 establishing a Common Ownership Community Ombudsman Fund; providing
15 for the purpose of the Fund; providing that the Fund is a special, nonlapsing
16 fund that is not subject to a certain provision; requiring the Treasurer to hold
17 the fund separately and the Comptroller to account for the Fund; providing for
18 the contents of the Fund; providing for the use of the Fund; requiring the
19 Treasurer to invest the Fund in a certain manner; providing that expenditures
20 from the Fund may be made in a certain manner; requiring the Office of
21 Legislative Audits to audit the accounts and transactions of the Fund; defining
22 certain terms; and generally relating to establishing the office of Common
23 Ownership Communities Ombudsman.

24 BY adding to

25 Article – Real Property

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 Section 11C-101 through 11C-402 to be under the new title "Title 11C.
2 Common Ownership Community Ombudsman"
3 Annotated Code of Maryland
4 (2003 Replacement Volume and 2006 Supplement)

5 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
6 MARYLAND, That the Laws of Maryland read as follows:

7 **Article - Real Property**

8 **TITLE 11C. COMMON OWNERSHIP COMMUNITY OMBUDSMAN.**

9 **SUBTITLE 1. DEFINITIONS.**

10 **11C-101.**

11 (A) IN THIS TITLE THE FOLLOWING WORDS HAVE THE MEANINGS
12 INDICATED.

13 (B) "COMMON OWNERSHIP COMMUNITY" MEANS:

14 (1) A CONDOMINIUM, AS DEFINED UNDER § 11-101 OF THIS
15 ARTICLE;

16 (2) A COOPERATIVE HOUSING CORPORATION, AS DEFINED UNDER
17 § 5-6B-01 OF THE CORPORATIONS AND ASSOCIATIONS ARTICLE; OR

18 (3) A HOMEOWNERS ASSOCIATION, AS DEFINED UNDER §
19 11B-101 OF THIS ARTICLE.

20 (C) "FUND" MEANS THE COMMON OWNERSHIP COMMUNITY
21 OMBUDSMAN FUND ESTABLISHED UNDER § 11C-401 OF THIS TITLE.

22 (D) "LOT" HAS THE MEANING STATED IN § 11B-101 OF THIS ARTICLE.

23 (E) "MEMBER" HAS THE MEANING STATED IN § 5-6B-01 OF THE
24 CORPORATIONS AND ASSOCIATIONS ARTICLE.

25 (F) "OMBUDSMAN" MEANS THE COMMON OWNERSHIP COMMUNITY
26 OMBUDSMAN ESTABLISHED UNDER § 11C-201 OF THIS TITLE.

1 (G) **“SECRETARY” MEANS THE SECRETARY OF LABOR, LICENSING, AND**
2 **REGULATION.**

3 (H) **“UNIT” HAS THE MEANING STATED IN § 11-101 OF THIS ARTICLE.**

4 **SUBTITLE 2. COMMON OWNERSHIP COMMUNITY OMBUDSMAN.**

5 **11C-201.**

6 **THERE IS A COMMON OWNERSHIP COMMUNITY OMBUDSMAN IN THE**
7 **DEPARTMENT OF LABOR, LICENSING, AND REGULATION.**

8 **11C-202.**

9 (A) **THE OMBUDSMAN SHALL BE APPOINTED BY THE SECRETARY WITH**
10 **THE APPROVAL OF THE GOVERNOR AND THE ADVICE AND CONSENT OF THE**
11 **SENATE.**

12 (B) **THE OMBUDSMAN SERVES AT THE PLEASURE OF THE SECRETARY.**

13 (C) **THE OMBUDSMAN SHALL BE QUALIFIED THROUGH TRAINING AND**
14 **EXPERIENCE TO PERFORM THE DUTIES AND FUNCTIONS OF THE OFFICE OF**
15 **OMBUDSMAN.**

16 (D) **THE OMBUDSMAN IS ENTITLED TO THE COMPENSATION PROVIDED**
17 **IN THE STATE BUDGET.**

18 **11C-203.**

19 **THE OMBUDSMAN MAY EMPLOY A STAFF IN ACCORDANCE WITH THE**
20 **STATE BUDGET.**

21 **11C-204.**

22 (A) **IN ADDITION TO ANY DUTIES SET FORTH ELSEWHERE, THE**
23 **OMBUDSMAN SHALL:**

1 **(1) DEVELOP AN EDUCATION PROGRAM FOR RESIDENTS IN A**
2 **COMMON OWNERSHIP COMMUNITY THAT INCLUDES AT LEAST:**

3 **(I) GOVERNANCE OF A COMMON OWNERSHIP COMMUNITY;**

4 **(II) RIGHTS AND DUTIES OF RESIDENTS IN A COMMON**
5 **OWNERSHIP COMMUNITY; AND**

6 **(III) ALTERNATIVE DISPUTE RESOLUTION, INCLUDING:**

7 **1. MEDIATION;**

8 **2. ARBITRATION; AND**

9 **3. OTHER NONJUDICIAL DISPUTE RESOLUTION**
10 **PROCESSES;**

11 **(2) DEVELOP AN EDUCATION PROGRAM FOR COMMON**
12 **OWNERSHIP COMMUNITY GOVERNING BODIES THAT INCLUDES AT LEAST:**

13 **(I) ADOPTION AND ENFORCEMENT OF RULES;**

14 **(II) TRANSITION FROM DEVELOPER CONTROL;**

15 **(III) CONDUCT OF ELECTIONS; AND**

16 **(IV) SELECTION OF COMMUNITY MANAGEMENT AND OTHER**
17 **PROFESSIONAL SERVICES;**

18 **(3) ANSWER AND PROCESS COMPLAINTS FROM ANY RESIDENT OF**
19 **A COMMON OWNERSHIP COMMUNITY;**

20 **(4) MAINTAIN A LIST OF TRAINED MEDIATORS AND ARBITRATORS**
21 **IN EACH JURISDICTION FOR REFERRALS;**

22 **(5) MAINTAIN A COLLECTION OF COMMON OWNERSHIP**
23 **COMMUNITY ASSOCIATION DOCUMENTS FOR USE AS A MODEL AND FOR**
24 **REFERENCE; AND**

1 **(6) ON OR BEFORE DECEMBER 31 OF EACH YEAR, SUBMIT TO**
2 **THE SECRETARY AND, AS PROVIDED UNDER § 2-1246 OF THE STATE**
3 **GOVERNMENT ARTICLE, THE GENERAL ASSEMBLY AN ANNUAL REPORT THAT**
4 **INCLUDES AT LEAST THE FOLLOWING INFORMATION CONCERNING THE MOST**
5 **RECENTLY COMPLETED FISCAL YEAR ENDING JUNE 30:**

6 **(I) OPERATIONS OF THE OFFICE OF THE OMBUDSMAN,**
7 **INCLUDING THE NUMBER OF COMPLAINTS RECEIVED AND THE NUMBERS OF**
8 **REFERRALS TO ALTERNATIVE DISPUTE RESOLUTION; AND**

9 **(II) AMENDMENTS PROPOSED BY THE OMBUDSMAN**
10 **REGARDING THIS TITLE.**

11 **11C-205.**

12 **THE OMBUDSMAN MAY ADOPT AND ENFORCE REGULATIONS REASONABLY**
13 **NECESSARY TO CARRY OUT THIS TITLE.**

14 **SUBTITLE 3. REGISTRATION.**

15 **11C-301.**

16 **(A) (1) A COMMON OWNERSHIP COMMUNITY SHALL REGISTER ON OR**
17 **BEFORE DECEMBER 31 OF EACH YEAR WITH THE OMBUDSMAN ON A FORM**
18 **PROVIDED BY THE OMBUDSMAN.**

19 **(2) REGISTRATION UNDER THIS SUBSECTION EXPIRES ON**
20 **DECEMBER 31 OF THE FOLLOWING YEAR.**

21 **(B) THE REGISTRATION FORM SHALL INCLUDE AT LEAST:**

22 **(1) THE MEMBERSHIP OF THE GOVERNING BODY OF THE**
23 **COMMON OWNERSHIP COMMUNITY FOR THE UPCOMING YEAR, INCLUDING**
24 **CONTACT INFORMATION;**

25 **(2) THE MANAGING AGENT OF THE COMMON OWNERSHIP**
26 **COMMUNITY FOR THE UPCOMING YEAR, INCLUDING CONTACT INFORMATION;**
27 **AND**

1 (3) (I) THE NUMBER OF UNITS, IF THE COMMON OWNERSHIP
2 COMMUNITY IS A CONDOMINIUM;

3 (II) THE NUMBER OF MEMBERS, IF THE COMMON
4 OWNERSHIP COMMUNITY IS A COOPERATIVE HOUSING CORPORATION; OR

5 (III) THE NUMBER OF LOTS, IF THE COMMON OWNERSHIP
6 COMMUNITY IS A HOMEOWNERS ASSOCIATION.

7 (C) A COMMON OWNERSHIP COMMUNITY IS EXEMPT FROM
8 REGISTRATION UNDER SUBSECTION (A) OF THIS SECTION IF:

9 (1) THE COMMON OWNERSHIP COMMUNITY IS REQUIRED TO
10 REGISTER UNDER A COMMON OWNERSHIP COMMUNITY REGISTRATION SYSTEM
11 OPERATED BY A COUNTY OR A MUNICIPAL CORPORATION; AND

12 (2) THE REGISTRATION SYSTEM OFFERS SERVICES THAT ARE
13 SUBSTANTIALLY SIMILAR TO THOSE OFFERED BY THE OMBUDSMAN.

14 **11C-302.**

15 (A) THE OMBUDSMAN SHALL CHARGE A FEE FOR EACH REGISTRATION.

16 (B) THE FEE CHARGED UNDER SUBSECTION (A) OF THIS SECTION MAY
17 NOT EXCEED \$1 FOR EACH:

18 (1) UNIT IN A CONDOMINIUM;

19 (2) MEMBER IN A COOPERATIVE HOUSING CORPORATION; OR

20 (3) LOT IN A HOMEOWNERS ASSOCIATION.

21 **SUBTITLE 4. COMMON OWNERSHIP COMMUNITY OMBUDSMAN FUND.**

22 **11C-401.**

23 (A) THERE IS A COMMON OWNERSHIP COMMUNITY OMBUDSMAN
24 FUND.

1 **(B) THE PURPOSE OF THE FUND IS TO PAY ALL COSTS AND EXPENSES**
2 **INCURRED BY THE OMBUDSMAN IN CARRYING OUT THIS SUBTITLE, INCLUDING:**

3 **(1) EXPENDITURES AUTHORIZED UNDER THIS SUBTITLE; AND**

4 **(2) ANY OTHER EXPENSE AUTHORIZED IN THE STATE BUDGET.**

5 **11C-402.**

6 **(A) (1) THE FUND IS A SPECIAL, NONLAPSING FUND THAT IS NOT**
7 **SUBJECT TO § 7-302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.**

8 **(2) THE STATE TREASURER SHALL HOLD THE FUND**
9 **SEPARATELY, AND THE COMPTROLLER SHALL ACCOUNT FOR THE FUND.**

10 **(B) THE FUND CONSISTS OF:**

11 **(1) REVENUE DISTRIBUTED TO THE FUND UNDER § 11C-302 OF**
12 **THIS TITLE;**

13 **(2) ANY INVESTMENT EARNINGS OF THE FUND;**

14 **(3) MONEY APPROPRIATED IN THE STATE BUDGET TO THE FUND;**
15 **AND**

16 **(4) ANY OTHER MONEY FROM ANY OTHER SOURCE ACCEPTED BY**
17 **AND FOR THE BENEFIT OF THE FUND.**

18 **(C) THE FUND MAY BE USED ONLY TO SUPPORT THE OPERATIONS OF**
19 **THE OMBUDSMAN.**

20 **(D) THE TREASURER SHALL INVEST THE MONEY OF THE FUND IN THE**
21 **SAME MANNER AS OTHER STATE MONEY MAY BE INVESTED.**

22 **(E) EXPENDITURES FROM THE FUND MAY BE MADE ONLY IN**
23 **ACCORDANCE WITH THE STATE BUDGET.**

1 **(F) THE OFFICE OF LEGISLATIVE AUDITS SHALL AUDIT THE ACCOUNTS**
2 **AND TRANSACTIONS OF THE FUND UNDER § 2-1220 OF THE STATE**
3 **GOVERNMENT ARTICLE.**

4 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
5 October 1, 2007.