

Department of Legislative Services
Maryland General Assembly
2010 Session

FISCAL AND POLICY NOTE
Revised

House Bill 566

(Prince George's County Delegation)

Environmental Matters

Judicial Proceedings

Prince George's County - Community Association Property Management Services
- Registration
PG 419-10

This bill requires the Prince George's County Office of Community Relations (OCR) to establish a community association managers registry on or after January 1, 2011. Any entity, including a sole proprietorship, that provides community association management services for an association in the county must register and renew by January 31 of each year and pay an annual fee of \$100. A person who willfully violates, or causes another person to willfully violate, the bill's provisions is guilty of a misdemeanor and, upon conviction, is subject to a fine of up to \$1,000.

Fiscal Summary

State Effect: Potential minimal increase in general fund revenues due to the bill's penalty provision. No effect on expenditures.

Local Effect: Minimal increase in registration fee revenues. Prince George's County advises that the bill's requirements can likely be handled with the existing budgeted resources of OCR as discussed below. **This bill may impose a mandate on a unit of local government.**

Small Business Effect: Potential minimal.

Analysis

Bill Summary: The registration form provided by OCR must include specified identifying information and request a listing of all associations that received management services from the registering entity in the previous year.

Current Law: State law does not require registration of common ownership communities (COCs) or designate a statewide office to manage registrations.

In Montgomery County, however, COCs are required to register with the Commission on Common Ownership Communities, a 15-member volunteer body. The county's Office of Consumer Protection, together with the commission, must:

- prepare and distribute specified educational materials about COCs;
- maintain a master roster of COCs;
- develop an information and referral system for county services related to COCs;
- maintain a collection of COC documents to use as a model and for reference;
- provide technical assistance to COC governing bodies;
- develop and maintain a manual for COCs and government agencies;
- develop and maintain an operations manual to serve as a guide for COC leadership;
- advise COCs and professional association managers of applicable statutory and regulatory changes;
- operate a dispute resolution process; and
- assist the commission in carrying out its duties.

The commission is required to advise county residents and the county government about COC issues, maintain records and adopt rules and procedures, among other specified duties.

Background: According to the Community Associations Institute, there are currently 60,000 individuals and 10,000 businesses offering community association services in the United States. Nine states regulate these types of organizations in some fashion, several through a state real estate commission rather than through a separate board or commission.

Chapter 469 of 2005 established the Task Force on Common Ownership Communities. The full task force met 10 times during 2006 and conducted five public hearings, at which public comments were solicited. In addition, subcommittees comprising task force

members met several times. The task force made several recommendations on various topics, including that local governments should be required to consider establishing alternative dispute resolution services, including the use of ombudsman programs. The task force reported that ombudsman offices should be established at the county or regional level to function as a first point of contact to receive and resolve complaints between conflicting parties.

Local Effect: Prince George's County advises that OCR has an existing database of common ownership community associations located in Prince George's County. The county also advises that existing OCR staff can handle the registration of individual community association managers that must begin on January 1, 2011. The fees generated by the registration program would be used to offset the costs currently absorbed by OCR.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Prince George's County, Office of the Attorney General (Consumer Protection Division), Judiciary (Administrative Office of the Courts), Department of Legislative Services

Fiscal Note History: First Reader - March 17, 2010
mlm/kdm Revised - House Third Reader - March 29, 2010

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