

Department of Legislative Services
Maryland General Assembly
2011 Session

FISCAL AND POLICY NOTE

House Bill 1339 (Delegate Braveboy, *et al.*)
Environmental Matters

Real Property - Homeowners Associations - Election of Governing Body

This bill prohibits a declarant and its affiliates from voting in the election of a homeowners association's (HOA) governing body.

Fiscal Summary

State Effect: The bill does not materially affect State finances or operations.

Local Effect: None.

Small Business Effect: Potential minimal.

Analysis

Current Law/Background: A declarant means any person who subjects property to a declaration. Generally, the declarant is the developer or builder of the development who eventually relinquishes control of the development's HOA to the individual lot owners.

A meeting of the members of an HOA to elect a governing body must be held within 60 days from the date that at least 75% of the total number of lots that may be part of a completed development are sold to members of the public for residential purposes. The HOA's governing documents may specify a lesser percentage. The declarant must provide appropriate notice specifying the date, time, and place of the election meeting.

If the declarant fails to comply with the proper statutory election procedures, an aggrieved lot owner may submit a dispute to the Division of Consumer Protection of the Office of the Attorney General. The Division of Consumer Protection has enforcement

authority over any violation of the Maryland Homeowners Association Act to the extent that it affects a consumer.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Office of the Attorney General (Consumer Protection Division), www.hoatalk.com, Department of Legislative Services

Fiscal Note History: First Reader - March 24, 2011
ncs/kdm

Analysis by: Michael F. Bender

Direct Inquiries to:
(410) 946-5510
(301) 970-5510