

HOUSE BILL 1061

N1

6lr3001

By: **Delegate Holmes**

Introduced and read first time: February 11, 2016

Assigned to: Environment and Transportation

A BILL ENTITLED

1 AN ACT concerning

2 **Real Property – Common Ownership Communities – Registration**

3 FOR the purpose of requiring a cooperative housing corporation, a condominium, and a
4 homeowners association to register annually with the State Department of
5 Assessments and Taxation; providing for a certain registration fee and certain
6 contents of a registration form; making a failure to register a civil violation subject
7 to a certain fine; requiring the Department to make a certain report annually to the
8 General Assembly; requiring the Department to report on or before a certain date to
9 the General Assembly on recommendations for a training requirement for certain
10 persons in a common ownership community; defining certain terms; and generally
11 relating to the registration of common ownership communities.

12 BY adding to

13 Article – Corporations and Associations
14 Section 5–6B–12.1
15 Annotated Code of Maryland
16 (2014 Replacement Volume and 2015 Supplement)

17 BY adding to

18 Article – Real Property
19 Section 11–130.1 and 11B–115.2; and 14–601 through 14–605 to be under the new
20 subtitle “Subtitle 6. Registration of Common Ownership Communities”
21 Annotated Code of Maryland
22 (2015 Replacement Volume)

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

25 **Article – Corporations and Associations**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 **5-6B-12.1.**

2 **A COOPERATIVE HOUSING CORPORATION SHALL REGISTER ANNUALLY WITH**
3 **THE STATE DEPARTMENT OF ASSESSMENTS AND TAXATION AS REQUIRED UNDER**
4 **TITLE 14, SUBTITLE 6 OF THE REAL PROPERTY ARTICLE.**

5 **Article – Real Property**

6 **11-130.1.**

7 **A CONDOMINIUM THAT IS USED FOR RESIDENTIAL PURPOSES SHALL**
8 **REGISTER ANNUALLY WITH THE STATE DEPARTMENT OF ASSESSMENTS AND**
9 **TAXATION AS REQUIRED UNDER TITLE 14, SUBTITLE 6 OF THIS ARTICLE.**

10 **11B-115.2.**

11 **A HOMEOWNERS ASSOCIATION SHALL REGISTER ANNUALLY WITH THE STATE**
12 **DEPARTMENT OF ASSESSMENTS AND TAXATION AS REQUIRED UNDER TITLE 14,**
13 **SUBTITLE 6 OF THIS ARTICLE.**

14 **SUBTITLE 6. REGISTRATION OF COMMON OWNERSHIP COMMUNITIES.**

15 **14-601.**

16 **(A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS**
17 **INDICATED.**

18 **(B) “COMMON OWNERSHIP COMMUNITY” MEANS:**

19 **(1) A CONDOMINIUM AS DEFINED IN § 11-101 OF THIS ARTICLE THAT**
20 **IS USED FOR RESIDENTIAL PURPOSES;**

21 **(2) A COOPERATIVE HOUSING CORPORATION AS DEFINED IN §**
22 **5-6B-01 OF THE CORPORATIONS AND ASSOCIATIONS ARTICLE; AND**

23 **(3) A HOMEOWNERS ASSOCIATION AS DEFINED IN § 11B-101 OF THIS**
24 **ARTICLE.**

25 **(C) “DEPARTMENT” MEANS THE STATE DEPARTMENT OF ASSESSMENTS**
26 **AND TAXATION.**

27 **14-602.**

1 **(A) ON OR BEFORE JANUARY 1 EACH YEAR, A COMMON OWNERSHIP**
2 **COMMUNITY SHALL REGISTER WITH THE DEPARTMENT ON THE FORM THE**
3 **DEPARTMENT REQUIRES.**

4 **(B) THE GOVERNING BODY OF A COMMON OWNERSHIP COMMUNITY IS**
5 **RESPONSIBLE FOR SATISFYING THE REQUIREMENTS OF THIS SUBTITLE.**

6 **14-603.**

7 **(A) THE REGISTRATION FEE SHALL BE \$3 PER YEAR.**

8 **(B) THE REGISTRATION FORM SHALL REQUIRE A COMMON OWNERSHIP**
9 **COMMUNITY TO PROVIDE:**

10 **(1) THE NAME AND ADDRESS OF THE COMMON OWNERSHIP**
11 **COMMUNITY, INCLUDING THE COUNTY IN WHICH THE COMMON OWNERSHIP**
12 **COMMUNITY IS LOCATED;**

13 **(2) THE NUMBER AND TYPE OF RESIDENTIAL UNITS IN THE COMMON**
14 **OWNERSHIP COMMUNITY;**

15 **(3) PROOF OF REGISTRATION AS A COMMON OWNERSHIP COMMUNITY**
16 **WITH THE COUNTY IN WHICH THE COMMON OWNERSHIP COMMUNITY IS LOCATED, IF**
17 **APPLICABLE;**

18 **(4) THE NAME AND CONTACT INFORMATION OF:**

19 **(I) EACH OFFICER OR MEMBER OF THE BOARD OF DIRECTORS**
20 **OR GOVERNING BODY OF THE COMMON OWNERSHIP COMMUNITY;**

21 **(II) ANY PROPERTY MANAGER OR OTHER PERSON HIRED TO**
22 **PROVIDE PROPERTY MANAGEMENT SERVICES FOR THE COMMON OWNERSHIP**
23 **COMMUNITY; AND**

24 **(III) ANY ATTORNEY FOR THE COMMON OWNERSHIP**
25 **COMMUNITY;**

26 **(5) A STATEMENT ABOUT ANY FIDELITY INSURANCE;**

27 **(6) A STATEMENT ABOUT ANY RESERVE STUDIES AND CURRENT**
28 **RESERVE BALANCES;**

29 **(7) A STATEMENT ABOUT ANY GRIEVANCE PROCEDURES; AND**

1 **(8) ANY OTHER INFORMATION REQUIRED BY THE DEPARTMENT.**

2 **14-604.**

3 **(A) EXCEPT AS PROVIDED IN SUBSECTION (B) OF THIS SECTION, FAILURE**
4 **TO REGISTER AS REQUIRED UNDER THIS SUBTITLE IS A CIVIL VIOLATION SUBJECT**
5 **TO A FINE OF \$50.**

6 **(B) THE DEPARTMENT MAY WAIVE THE IMPOSITION OF A FINE IF THE**
7 **REGISTRATION FORM AND REGISTRATION FEE ARE SUBMITTED WITHIN 10 DAYS**
8 **AFTER NOTIFICATION FROM THE DEPARTMENT OF THE FAILURE TO REGISTER.**

9 **14-605.**

10 **ON OR BEFORE JANUARY 1, 2018, AND EACH YEAR THEREAFTER, THE**
11 **DEPARTMENT SHALL REPORT TO THE GENERAL ASSEMBLY, IN ACCORDANCE WITH**
12 **§ 2-1246 OF THE STATE GOVERNMENT ARTICLE, ON THE DATA OBTAINED FROM**
13 **THE REGISTRATION REQUIREMENTS OF THIS SUBTITLE.**

14 SECTION 2. AND BE IT FURTHER ENACTED, That, on or before December 31,
15 2016, the State Department of Assessments and Taxation, in consultation with the
16 Department of Labor, Licensing, and Regulation, the Montgomery County Office of
17 Consumer Protection, and the Prince George's County Office of Community Relations, shall
18 report to the General Assembly, in accordance with § 2-1246 of the State Government
19 Article, on recommendations for a training requirement for members of the governing body
20 and any property management services providers in a common ownership community.

21 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
22 October 1, 2016.