

HOUSE BILL 41

N1
HB 1061/16 – ENV

(PRE-FILED)

7lr0351

By: **Delegate Holmes**

Requested: June 14, 2016

Introduced and read first time: January 11, 2017

Assigned to: Environment and Transportation

Committee Report: Favorable with amendments

House action: Adopted

Read second time: February 21, 2017

CHAPTER _____

1 AN ACT concerning

2 **Real Property – Common Ownership Communities – Statewide 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; exempting certain common ownership communities from
6 the applicability of this Act; establishing a Common Ownership Community Registry
7 in the Department; requiring the Department to work with any county that
8 maintains a local registry of common ownership communities under certain
9 circumstances; requiring the Department to establish a certain registration fee;
10 providing for a certain registration fee and certain contents of a registration form;
11 making a failure to register a civil violation subject to a certain fine; requiring the
12 Department to make a certain report annually to the General Assembly; establishing
13 that the Registry is not a public record subject to the Public Information Act;
14 providing that the Department may authorize access to the Registry only to certain
15 persons; ~~requiring the Department to report on or before a certain date to the~~
16 ~~General Assembly on recommendations for a training requirement for certain~~
17 ~~persons in a common ownership community;~~ defining certain terms; and generally
18 relating to the statewide registration of common ownership communities.

19 BY adding to

20 Article – Corporations and Associations

21 Section 5–6B–12.1

22 Annotated Code of Maryland

23 (2014 Replacement Volume and 2016 Supplement)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 BY adding to
2 Article – Real Property
3 Section 11–130.1 and 11B–115.2; and 14–701 through 14–707 to be under the new
4 subtitle “Subtitle 7. Registration of Common Ownership Communities”
5 Annotated Code of Maryland
6 (2015 Replacement Volume and 2016 Supplement)

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

9 **Article – Corporations and Associations**

10 **5–6B–12.1.**

11 **A COOPERATIVE HOUSING CORPORATION SHALL REGISTER ANNUALLY WITH**
12 **THE STATE DEPARTMENT OF ASSESSMENTS AND TAXATION AS REQUIRED UNDER**
13 **TITLE 14, SUBTITLE 7 OF THE REAL PROPERTY ARTICLE.**

14 **Article – Real Property**

15 **11–130.1.**

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

19 **11B–115.2.**

20 **A HOMEOWNERS ASSOCIATION SHALL REGISTER ANNUALLY WITH THE STATE**
21 **DEPARTMENT OF ASSESSMENTS AND TAXATION AS REQUIRED UNDER TITLE 14,**
22 **SUBTITLE 7 OF THIS ARTICLE.**

23 **SUBTITLE 7. REGISTRATION OF COMMON OWNERSHIP COMMUNITIES.**

24 **14–701.**

25 **(A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS**
26 **INDICATED.**

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

28 **(1) A CONDOMINIUM AS DEFINED IN § 11–101 OF THIS ARTICLE THAT**
29 **IS USED ONLY FOR RESIDENTIAL PURPOSES;**

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

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

5 (C) "DEPARTMENT" MEANS THE STATE DEPARTMENT OF ASSESSMENTS
6 AND TAXATION.

7 (D) "REGISTRY" MEANS THE COMMON OWNERSHIP COMMUNITY
8 REGISTRY.
9 14-702.

10 THIS SUBTITLE DOES NOT APPLY TO:

11 (1) (I) A COOPERATIVE HOUSING CORPORATION UNTIL 1 YEAR
12 AFTER THE FIRST INITIAL SALE OF A COOPERATIVE INTEREST IN THE COOPERATIVE
13 HOUSING CORPORATION;

14 (II) A CONDOMINIUM UNTIL 1 YEAR AFTER THE DEVELOPER
15 HAS RECORDED THE DECLARATION FOR THE CONDOMINIUM IN THE LAND RECORDS
16 OF THE COUNTY IN WHICH THE CONDOMINIUM IS LOCATED; OR

17 (III) A HOMEOWNERS ASSOCIATION UNTIL 1 YEAR AFTER THE
18 DECLARANT HAS RECORDED THE DECLARATION FOR THE HOMEOWNERS
19 ASSOCIATION IN THE LAND RECORDS OF THE COUNTY IN WHICH THE HOMEOWNERS
20 ASSOCIATION IS LOCATED; ~~OR~~

21 (2) A HOMEOWNERS ASSOCIATION, OR A VILLAGE COMMUNITY
22 ASSOCIATION AFFILIATED WITH THE HOMEOWNERS ASSOCIATION, THAT MANAGES
23 MORE THAN 3,000 ACRES OF OPEN SPACE LAND AND MORE THAN 20,000 LOTS; OR

24 (3) A COMMON OWNERSHIP COMMUNITY THAT:

25 (I) IS LOCATED IN A COUNTY THAT MAINTAINS A REGISTRY OF
26 COMMON OWNERSHIP COMMUNITIES AND REGULARLY SHARES WITH THE
27 DEPARTMENT INFORMATION FROM THE COUNTY REGISTRY; AND

28 (II) IS REGISTERED IN THE COUNTY IN WHICH THE COMMON
29 OWNERSHIP COMMUNITY IS LOCATED.

30 14-703.

1 (A) THERE IS A COMMON OWNERSHIP COMMUNITY REGISTRY IN THE
2 DEPARTMENT.

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

6 (C) THE GOVERNING BODY OF A COMMON OWNERSHIP COMMUNITY IS
7 RESPONSIBLE FOR SATISFYING THE REQUIREMENTS OF THIS SUBTITLE.

8 (D) THE DEPARTMENT SHALL WORK WITH ANY COUNTY THAT MAINTAINS A
9 LOCAL REGISTRY OF COMMON OWNERSHIP COMMUNITIES SO AS TO FACILITATE THE
10 TRANSMITTAL OF INFORMATION FROM THE COUNTY.

11 14-704.

12 (A) THE DEPARTMENT SHALL ESTABLISH THE REGISTRATION FEE FOR A
13 COMMON OWNERSHIP COMMUNITY SHALL BE \$3 NOT TO EXCEED \$10 PER YEAR.

14 (B) THE REGISTRATION FORM SHALL REQUIRE A COMMON OWNERSHIP
15 COMMUNITY TO PROVIDE:

16 (1) THE NAME AND ADDRESS OF THE COMMON OWNERSHIP
17 COMMUNITY, INCLUDING THE COUNTY IN WHICH THE COMMON OWNERSHIP
18 COMMUNITY IS LOCATED;

19 (2) THE NUMBER AND TYPE OF RESIDENTIAL UNITS IN THE COMMON
20 OWNERSHIP COMMUNITY;

21 (3) ~~PROOF OF REGISTRATION AS A COMMON OWNERSHIP COMMUNITY~~
22 ~~WITH THE COUNTY IN WHICH THE COMMON OWNERSHIP COMMUNITY IS LOCATED, IF~~
23 ~~APPLICABLE; IF APPLICABLE, THE NAME AND ADDRESS OF ANY OTHER COMMON~~
24 ~~OWNERSHIP COMMUNITY THAT IS GOVERNED BY THE COMMON OWNERSHIP~~
25 ~~COMMUNITY; AND~~

26 (4) THE NAME AND CONTACT INFORMATION OF:

27 (I) ~~EACH OFFICER OR MEMBER OF THE BOARD OF DIRECTORS~~
28 ~~OR GOVERNING BODY OF THE COMMON OWNERSHIP COMMUNITY; AND~~

29 (H) ~~ANY~~ THE PROPERTY MANAGER OR OTHER PERSON ~~HIRE~~
30 EMPLOYED TO PROVIDE PROPERTY MANAGEMENT SERVICES FOR THE COMMON
31 OWNERSHIP COMMUNITY; ~~AND~~ OR

1 **(II) IF THE COMMON OWNERSHIP COMMUNITY DOES NOT**
2 **EMPLOY A PROPERTY MANAGER OR OTHER PERSON TO PROVIDE PROPERTY**
3 **MANAGEMENT SERVICES, ONE OR MORE INDIVIDUALS DESIGNATED BY THE BOARD**
4 **OF DIRECTORS OR GOVERNING BODY TO ANSWER INQUIRIES ON BEHALF OF THE**
5 **COMMON OWNERSHIP COMMUNITY.**

6 ~~**(5) ANY OTHER INFORMATION RELEVANT TO THE REGISTRATION**~~
7 ~~**REQUIRED BY THE DEPARTMENT.**~~

8 **14-705.**

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

12 **(B) THE DEPARTMENT MAY WAIVE THE IMPOSITION OF A FINE IF THE**
13 **REGISTRATION FORM AND REGISTRATION FEE ARE SUBMITTED WITHIN 30 DAYS**
14 **AFTER NOTIFICATION FROM THE DEPARTMENT OF THE FAILURE TO REGISTER.**

15 **14-706.**

16 **ON OR BEFORE JANUARY 1, ~~2019~~ 2018, AND EACH YEAR THEREAFTER, THE**
17 **DEPARTMENT SHALL REPORT TO THE GENERAL ASSEMBLY, IN ACCORDANCE WITH**
18 **§ 2-1246 OF THE STATE GOVERNMENT ARTICLE, ON ~~THE~~:**

19 **(1) THE IMPLEMENTATION OF THIS SUBTITLE; AND**

20 **(2) THE DATA OBTAINED FROM THE REGISTRATION REQUIREMENTS**
21 **OF THIS SUBTITLE AND ANY COUNTY THAT SHARES WITH THE DEPARTMENT**
22 **INFORMATION FROM THE COUNTY'S REGISTRY OF COMMON OWNERSHIP**
23 **COMMUNITIES.**

24 **14-707.**

25 **(A) THE REGISTRY:**

26 **(1) IS NOT A PUBLIC RECORD AS DEFINED BY § 4-101 OF THE**
27 **GENERAL PROVISIONS ARTICLE; AND**

28 **(2) IS NOT SUBJECT TO TITLE 4 OF THE GENERAL PROVISIONS**
29 **ARTICLE.**

1 (B) THE DEPARTMENT MAY AUTHORIZE ACCESS TO THE REGISTRY ONLY TO
2 LOCAL JURISDICTIONS, THEIR AGENCIES AND REPRESENTATIVES, AND STATE
3 AGENCIES.

4 (C) NOTWITHSTANDING SUBSECTIONS (A) AND (B) OF THIS SECTION, THE
5 DEPARTMENT OR A LOCAL JURISDICTION MAY PROVIDE INFORMATION FOR A
6 SPECIFIC COMMON OWNERSHIP COMMUNITY IN THE REGISTRY TO:

7 (1) A PERSON WHO OWNS PROPERTY IN THE COMMON OWNERSHIP
8 COMMUNITY; OR

9 (2) THE GOVERNING BODY OR PROPERTY MANAGER OF, OR THE
10 ATTORNEY REPRESENTING, ANOTHER REGISTERED COMMON OWNERSHIP
11 COMMUNITY.

12 SECTION 2. ~~AND BE IT FURTHER ENACTED, That, on or before December 31,~~
13 ~~2017, the State Department of Assessments and Taxation, in consultation with the~~
14 ~~Department of Labor, Licensing, and Regulation, the Montgomery County Office of~~
15 ~~Consumer Protection, and the Prince George's County Office of Community Relations, shall~~
16 ~~report to the General Assembly, in accordance with § 2-1246 of the State Government~~
17 ~~Article, on recommendations regarding training programs for members of the governing~~
18 ~~body and any property management services providers in a common ownership community.~~

19 ~~SECTION 3.~~ AND BE IT FURTHER ENACTED, That this Act shall take effect
20 October 1, 2017.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.