

SENATE BILL 721

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9lr1147
CF 9lr1220

By: **Senator Benson**

Introduced and read first time: February 4, 2019

Assigned to: Judicial Proceedings

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; 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 certain contents of a registration form; making a failure to register a
11 civil violation subject to a certain fine; requiring the Department to make a certain
12 report annually to the General Assembly; establishing that the Registry is not a
13 public record subject to the Public Information Act; authorizing the Department to
14 authorize access to the Registry only by certain persons; authorizing the Department
15 or a local jurisdiction to provide information for a specific common ownership
16 community in the Registry to certain persons under certain circumstances; requiring
17 the Department to report on or before a certain date to the General Assembly on
18 recommendations for a training requirement for certain persons in a common
19 ownership community; defining certain terms; and generally relating to the
20 registration of common ownership communities.

21 BY adding to

22 Article – Corporations and Associations
23 Section 5–6B–12.1
24 Annotated Code of Maryland
25 (2014 Replacement Volume and 2018 Supplement)

26 BY adding to

27 Article – Real Property
28 Section 11–130.1 and 11B–115.2; and 14–701 through 14–707 to be under the new
29 subtitle “Subtitle 7. Registration of Common Ownership Communities”

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 Annotated Code of Maryland
2 (2015 Replacement Volume and 2018 Supplement)

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

5 **Article – Corporations and Associations**

6 **5–6B–12.1.**

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

10 **Article – Real Property**

11 **11–130.1.**

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

15 **11B–115.2.**

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

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

20 **14–701.**

21 **(A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS**
22 **INDICATED.**

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

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

26 **(2) A COOPERATIVE HOUSING CORPORATION AS DEFINED IN §**
27 **5–6B–01 OF THE CORPORATIONS AND ASSOCIATIONS ARTICLE; AND**

28 **(3) A HOMEOWNERS ASSOCIATION AS DEFINED IN § 11B–101 OF THIS**
29 **ARTICLE.**

1 (C) "DEPARTMENT" MEANS THE STATE DEPARTMENT OF ASSESSMENTS
2 AND TAXATION.

3 (D) "REGISTRY" MEANS THE COMMON OWNERSHIP COMMUNITY
4 REGISTRY.

5 14-702.

6 THIS SUBTITLE DOES NOT APPLY TO:

7 (1) (I) A COOPERATIVE HOUSING CORPORATION UNTIL 1 YEAR
8 AFTER THE FIRST INITIAL SALE OF A COOPERATIVE INTEREST IN THE COOPERATIVE
9 HOUSING CORPORATION;

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

13 (III) A HOMEOWNERS ASSOCIATION UNTIL 1 YEAR AFTER THE
14 DECLARANT HAS RECORDED THE DECLARATION FOR THE HOMEOWNERS
15 ASSOCIATION IN THE LAND RECORDS OF THE COUNTY IN WHICH THE HOMEOWNERS
16 ASSOCIATION IS LOCATED;

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

20 (3) A COMMON OWNERSHIP COMMUNITY THAT:

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

24 (II) IS REGISTERED IN THE COUNTY IN WHICH THE COMMON
25 OWNERSHIP COMMUNITY IS LOCATED.

26 14-703.

27 (A) THERE IS A COMMON OWNERSHIP COMMUNITY REGISTRY IN THE
28 DEPARTMENT.

29 (B) ON OR BEFORE JANUARY 1 EACH YEAR, A COMMON OWNERSHIP
30 COMMUNITY SHALL REGISTER WITH THE DEPARTMENT ON THE FORM THE

1 DEPARTMENT REQUIRES.

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

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

7 14-704.

8 (A) THE DEPARTMENT SHALL ESTABLISH THE REGISTRATION FEE FOR A
9 COMMON OWNERSHIP COMMUNITY NOT TO EXCEED \$10 PER YEAR.

10 (B) THE REGISTRATION FORM SHALL REQUIRE A COMMON OWNERSHIP
11 COMMUNITY TO PROVIDE:

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

15 (2) THE NUMBER AND TYPE OF RESIDENTIAL UNITS IN THE COMMON
16 OWNERSHIP COMMUNITY;

17 (3) IF APPLICABLE, THE NAME AND ADDRESS OF ANY OTHER COMMON
18 OWNERSHIP COMMUNITY THAT IS GOVERNED BY THE COMMON OWNERSHIP
19 COMMUNITY;

20 (4) THE NAME AND CONTACT INFORMATION OF:

21 (i) THE PROPERTY MANAGER OR OTHER PERSON EMPLOYED
22 TO PROVIDE PROPERTY MANAGEMENT SERVICES FOR THE COMMON OWNERSHIP
23 COMMUNITY; OR

24 (ii) IF THE COMMON OWNERSHIP COMMUNITY DOES NOT
25 EMPLOY A PROPERTY MANAGER OR OTHER PERSON TO PROVIDE PROPERTY
26 MANAGEMENT SERVICES, ONE OR MORE INDIVIDUALS DESIGNATED BY THE BOARD
27 OF DIRECTORS OR GOVERNING BODY TO ANSWER INQUIRIES ON BEHALF OF THE
28 COMMON OWNERSHIP COMMUNITY; AND

29 (5) ANY OTHER INFORMATION RELEVANT TO THE REGISTRATION
30 REQUIRED BY THE DEPARTMENT.

31 14-705.

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

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

7 **14-706.**

8 **ON OR BEFORE JANUARY 1, 2021, AND EACH JANUARY 1 THEREAFTER, THE**
9 **DEPARTMENT SHALL REPORT TO THE GENERAL ASSEMBLY, IN ACCORDANCE WITH**
10 **§ 2-1246 OF THE STATE GOVERNMENT ARTICLE, ON:**

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

12 **(2) THE DATA OBTAINED FROM THE REGISTRATION REQUIREMENTS**
13 **OF THIS SUBTITLE AND ANY COUNTY THAT SHARES WITH THE DEPARTMENT**
14 **INFORMATION FROM THE COUNTY'S REGISTRY OF COMMON OWNERSHIP**
15 **COMMUNITIES.**

16 **14-707.**

17 **(A) THE REGISTRY:**

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

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

22 **(B) THE DEPARTMENT MAY AUTHORIZE ACCESS TO THE REGISTRY ONLY BY**
23 **LOCAL JURISDICTIONS, THEIR AGENCIES AND REPRESENTATIVES, AND STATE**
24 **AGENCIES.**

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

28 **(1) A PERSON WHO OWNS PROPERTY IN THE COMMON OWNERSHIP**
29 **COMMUNITY; OR**

30 **(2) THE GOVERNING BODY OR PROPERTY MANAGER OF, OR THE**

1 ATTORNEY REPRESENTING, ANOTHER REGISTERED COMMON OWNERSHIP
2 COMMUNITY.

3 SECTION 2. AND BE IT FURTHER ENACTED, That, on or before December 31,
4 2019, the State Department of Assessments and Taxation, in consultation with the
5 Department of Labor, Licensing, and Regulation, the Montgomery County Office of
6 Consumer Protection, and the Prince George's County Office of Community Relations, shall
7 report to the General Assembly, in accordance with § 2-1246 of the State Government
8 Article, on recommendations regarding training programs for members of the governing
9 body and any property management services providers in a common ownership community.

10 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
11 October 1, 2019.