

HOUSE BILL 402

N1, I3, P1
HB 306/25 – ENT

6lr1697

By: **Delegates Holmes, Acevero, Boyce, Kaufman, McCaskill, Moreno, Pasteur, Phillips, Ross, Simmons, Stewart, Stinnett, Toles, White Holland, Williams, and Wims**

Introduced and read first time: January 22, 2026

Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Common Ownership Communities – Ombudsman Unit, Governing Document
3 Database, and Local Commissions**

4 FOR the purpose of establishing the Common Ownership Community Ombudsman Unit in
5 the Division of Consumer Protection in the Office of the Attorney General to receive
6 and respond to certain complaints; requiring common ownership communities to file
7 certain documents with the Department of Housing and Community Development;
8 requiring the Department to establish a certain database; establishing requirements
9 for a local common ownership commission established by the local government of a
10 county; and generally relating to common ownership communities.

11 BY adding to
12 Article – Commercial Law
13 Section 13–207
14 Annotated Code of Maryland
15 (2025 Replacement Volume)

16 BY adding to
17 Article – Housing and Community Development
18 Section 2–304
19 Annotated Code of Maryland
20 (2019 Replacement Volume and 2025 Supplement)

21 BY adding to
22 Article – Real Property
23 Section 11C–101 through 11C–114 to be under the new title “Title 11C. Local
24 Commissions on Common Ownership Communities”
25 Annotated Code of Maryland
26 (2023 Replacement Volume and 2025 Supplement)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.
[Brackets] indicate matter deleted from existing law.



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

3 **Article – Commercial Law**

4 **13–207.**

5 **(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS**
6 **INDICATED.**

7 **(2) “COMMON OWNERSHIP COMMUNITY” MEANS:**

8 **(I) A COOPERATIVE HOUSING CORPORATION AS DEFINED IN §**
9 **5–6B–01 OF THE CORPORATIONS AND ASSOCIATIONS ARTICLE;**

10 **(II) A CONDOMINIUM AS DEFINED IN § 11–101 OF THE REAL**
11 **PROPERTY ARTICLE; OR**

12 **(III) A HOMEOWNERS ASSOCIATION AS DEFINED IN § 11B–101 OF**
13 **THE REAL PROPERTY ARTICLE.**

14 **(3) “GOVERNING BODY” MEANS:**

15 **(I) THE COUNCIL OF UNIT OWNERS OF A CONDOMINIUM;**

16 **(II) THE BOARD OF DIRECTORS OF A COOPERATIVE HOUSING**
17 **CORPORATION;**

18 **(III) A HOMEOWNERS ASSOCIATION, BOARD OF DIRECTORS, OR**
19 **ANY OTHER ENTITY ESTABLISHED TO GOVERN A PROPERTY SUBJECT TO AN**
20 **INSTRUMENT THAT IMPOSES ON LOTS, OR ON THE OWNERS OR OCCUPANTS OF LOTS,**
21 **ANY MANDATORY FEE IN CONNECTION WITH THE PROVISION OF SERVICES OR**
22 **OTHERWISE FOR THE BENEFIT OF SOME OR ALL OF THE LOTS; OR**

23 **(IV) ANY OTHER BODY AUTHORIZED TO ADOPT RULES OR**
24 **REGULATIONS GOVERNING A CONDOMINIUM, COOPERATIVE HOUSING**
25 **CORPORATION, OR HOMEOWNERS ASSOCIATION.**

26 **(4) “LOCAL COMMISSION” MEANS A COMMISSION ON COMMON**
27 **OWNERSHIP COMMUNITIES ESTABLISHED BY A COUNTY, IN ACCORDANCE WITH §**
28 **11C–101 OF THE REAL PROPERTY ARTICLE.**

29 **(5) “MEMBER” MEANS:**

3 (II) A LOT OWNER UNDER THE MARYLAND HOMEOWNERS
4 ASSOCIATION ACT; OR

(6) "UNIT" MEANS THE COMMON OWNERSHIP COMMUNITY OMBUDSMAN UNIT IN THE OFFICE OF THE ATTORNEY GENERAL.

9 **(B) THERE IS A COMMON OWNERSHIP COMMUNITY OMBUDSMAN UNIT IN**
10 **THE DIVISION OF CONSUMER PROTECTION.**

11 (c) THE PURPOSE OF THE UNIT IS:

22 (D) THE UNIT SHALL INCLUDE:

25 (2) STAFF AS PROVIDED IN THE STATE BUDGET.

26 (E) (1) THE ATTORNEY GENERAL SHALL APPOINT THE COMMON
27 OWNERSHIP COMMUNITY OMBUDSMAN.

3 (F) THE UNIT SHALL RECEIVE AND RESPOND TO COMPLAINTS BY MEMBERS
4 REGARDING FINAL ADVERSE DECISIONS BY A GOVERNING BODY OR COMMON
5 OWNERSHIP COMMUNITY MANAGER.

6 (G) IN RESPONSE TO A COMPLAINT, OR ON THE INITIATIVE OF THE
7 OMBUDSMAN, THE UNIT SHALL:

16 (H) (1) IF THE UNIT DETERMINES THAT A FINAL ADVERSE DECISION
17 CONFLICTS WITH LAWS OR REGULATIONS GOVERNING COMMON OWNERSHIP
18 COMMUNITIES, THE UNIT SHALL PROMPTLY NOTIFY THE MEMBER, THE GOVERNING
19 BOARD, AND, IF APPLICABLE, THE COMMON OWNERSHIP COMMUNITY MANAGER
20 THAT THE ADVERSE DECISION CONFLICTS WITH LAWS OR REGULATIONS
21 GOVERNING COMMON OWNERSHIP COMMUNITIES.

33 (I) THE NUMBER OF COMPLAINTS RECEIVED BY THE UNIT;

(II) THE TYPES OF ASSISTANCE REQUESTED;

(III) ACTIONS TAKEN BY THE UNIT;

**(IV) THE NUMBER OF REFERRALS MADE TO LOCAL
ND**

(V) DATA ON DISPOSITIONS AND OUTCOMES OF COMPLAINTS

Article – Housing and Community Development

8 2-304.

9 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS
10 INDICATED.

16 (B) (1) A COMMON OWNERSHIP COMMUNITY LOCATED IN THE STATE
17 SHALL FILE WITH THE DEPARTMENT A COPY OF THE GOVERNING DOCUMENTS, AND
18 ANY AMENDMENTS TO THE GOVERNING DOCUMENTS, OF THE COMMON OWNERSHIP
19 COMMUNITY.

23 (C) (1) THE DEPARTMENT SHALL DEVELOP AND MAINTAIN A DATABASE
24 OF GOVERNING DOCUMENTS FILED WITH THE DEPARTMENT UNDER SUBSECTION
25 (B) OF THIS SECTION ACCESSIBLE TO THE PUBLIC THROUGH THE DEPARTMENT'S
26 WEBSITE DESCRIBED IN § 2-303 OF THIS SUBTITLE.

(I) FOR AN INITIAL FILING, UP TO \$100; AND

Article – Real Property

4 TITLE 11C. LOCAL COMMISSIONS ON COMMON OWNERSHIP COMMUNITIES.

5 11C-101.

6 (A) IN THIS TITLE THE FOLLOWING WORDS HAVE THE MEANINGS
7 INDICATED.

8 (B) "COMMON ELEMENT" MEANS:

11 (2) PROPERTY THAT IS OWNED OR LEASED BY A HOMEOWNERS
12 ASSOCIATION.

13 (c) (1) "COMMON OWNERSHIP COMMUNITY" MEANS:

14 (I) A CONDOMINIUM AS DEFINED IN § 11-101 OF THIS ARTICLE
15 THAT IS USED FOR RESIDENTIAL PURPOSES;

18 (III) A HOMEOWNERS ASSOCIATION AS DEFINED IN § 11B-101 OF
19 THIS ARTICLE.

(2) "COMMON OWNERSHIP COMMUNITY" DOES NOT INCLUDE A
TIME-SHARE PROJECT AS DEFINED IN § 11A-101 OF THIS ARTICLE.

22 (D) (1) "DISPUTE" MEANS A DISAGREEMENT BETWEEN AT LEAST TWO
23 PARTIES THAT INVOLVES:

3. SPEND COMMON OWNERSHIP COMMUNITY FUNDS; OR

4. ALTER OR ADD TO A COMMON ELEMENT; OR

5 (II) THE FAILURE OF A GOVERNING BODY OF A COMMON
6 OWNERSHIP COMMUNITY TO:

7 1. PROPERLY CONDUCT AN ELECTION;

3. PROPERLY CONDUCT A MEETING;

4. PROPERLY ADOPT A BUDGET OR RULES;

5. MAINTAIN OR AUDIT BOOKS AND RECORDS;

6. ALLOW INSPECTION OF BOOKS AND RECORDS;

19 (2) "DISPUTE" DOES NOT INCLUDE A DISAGREEMENT THAT
20 INVOLVES:

21 (1) TITLE TO ANY UNIT OR COMMON ELEMENT:

22 (II) THE PERCENTAGE INTEREST OR VOTE ALLOCABLE TO A
23 UNIT:

24 (III) THE INTERPRETATION OR ENFORCEMENT OF ANY
25 WARRANTY:

26 (IV) THE COLLECTION OF AN ASSESSMENT VALIDLY LEVIED
27 AGAINST A PARTY; OR

1 (v) THE EXERCISE OF THE JUDGMENT OR DISCRETION OF A
2 COMMON OWNERSHIP COMMUNITY REGARDING ANY LEGALLY AUTHORIZED ACTION.

3 (E) "GOVERNING BODY OF A COMMON OWNERSHIP COMMUNITY" MEANS:

4 (1) THE COUNCIL OF UNIT OWNERS OF A CONDOMINIUM;

5 (2) THE BOARD OF DIRECTORS OF A COOPERATIVE HOUSING
6 CORPORATION;

12 (4) ANY OTHER BODY AUTHORIZED TO ADOPT RULES OR
13 REGULATIONS GOVERNING A CONDOMINIUM, COOPERATIVE HOUSING
14 CORPORATION, OR HOMEOWNERS ASSOCIATION.

15 (F) (1) "GOVERNING DOCUMENT" MEANS:

16 (I) THE MASTER DEED, DECLARATION, INCORPORATION
17 DOCUMENT, BYLAWS, OR RULES OF ANY COMMON OWNERSHIP COMMUNITY;

21 (III) A DOCUMENT CONCERNING THE OPERATION OR
22 GOVERNANCE OF A COMMON OWNERSHIP COMMUNITY.

(G) "LOCAL COMMISSION" MEANS A COMMISSION ON COMMON OWNERSHIP COMMUNITIES ESTABLISHED BY A COUNTY IN ACCORDANCE WITH THIS TITLE.

27 (H) "LOCAL GOVERNMENT" MEANS:

28 (1) THE COUNTY COMMISSIONERS OR COUNTY COUNCIL OF A
29 COUNTY:

4 (I) "OWNER" MEANS:

5 (1) A UNIT OWNER IN A CONDOMINIUM;

8 11C-102.

9 **THE PROVISIONS OF THIS TITLE SUPERSEDE ANY INCONSISTENT PROVISIONS**
10 **OF LOCAL LAW THAT CONFLICT WITH THIS TITLE TO THE EXTENT OF THE CONFLICT.**

11 11C-103.

12 (A) A LOCAL COMMISSION ON COMMON OWNERSHIP COMMUNITIES
13 ESTABLISHED BY THE LOCAL GOVERNMENT OF A COUNTY BY LOCAL LAW SHALL
14 COMPLY WITH THE REQUIREMENTS OF THIS TITLE.

15 (B) (1) (I) SUBJECT TO SUBPARAGRAPH (II) OF THIS PARAGRAPH, A
16 LOCAL COMMISSION SHALL INCLUDE MEMBERS WHO:

24 (II) THE LOCAL GOVERNMENT SHALL DETERMINE THE TOTAL
25 NUMBER OF MEMBERS OF THE LOCAL COMMISSION.

26 (2) THE FOLLOWING INDIVIDUALS SHALL SERVE AS NONVOTING
27 MEMBERS OF A LOCAL COMMISSION:

- (I) A DESIGNEE OF THE LOCAL GOVERNMENT; AND**
- (II) A DESIGNEE OF A COUNTY AGENCY DEALING WITH:**
 - 1. PLANNING;**
 - 2. ENVIRONMENT;**
 - 3. PERMITTING;**
 - 4. TRANSPORTATION; OR**
 - 5. HOUSING AND COMMUNITY AFFAIRS.**

8 (c) THE CHAIR AND VICE CHAIR OF A LOCAL COMMISSION SHALL BE
9 ELECTED FROM AMONG THE VOTING MEMBERSHIP OF THE LOCAL COMMISSION.

10 (D) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, A LOCAL
11 GOVERNMENT ESTABLISHING A LOCAL COMMISSION SHALL ADOPT PROCEDURES
12 FOR THE APPOINTMENT AND TERMS OF MEMBERS OF THE LOCAL COMMISSION.

15 11C-104.

16 (A) A MAJORITY OF THE TOTAL MEMBERSHIP OF A LOCAL COMMISSION
17 SHALL CONSTITUTE A QUORUM.

18 (B) A LOCAL COMMISSION SHALL MEET AT LEAST MONTHLY AND
19 DETERMINE THE TIMES AND PLACES OF ITS MEETINGS.

20 (c) A MEMBER OF A LOCAL COMMISSION:

21 (1) MAY NOT RECEIVE COMPENSATION AS A MEMBER OF THE LOCAL
22 COMMISSION; BUT

25 (D) (1) A LOCAL COMMISSION SHALL:

3 (II) KEEP A RECORD OF ITS PROCEEDINGS;

6 (IV) ADVISE COUNTY GOVERNMENT AND APPROPRIATE STATE
7 AND FEDERAL AGENCIES ON MATTERS RELATING TO COMMON OWNERSHIP
8 COMMUNITIES; AND

16 (2) A LOCAL COMMISSION MAY:

17 (i) EMPLOY STAFF AS AUTHORIZED BY A LOCAL GOVERNMENT;

23 (IV) ADOPT ADDITIONAL BYLAWS NECESSARY TO CARRY OUT
24 THE BUSINESS OF THE LOCAL COMMISSION; AND

25 (v) ADOPT ANY ADDITIONAL REGULATIONS, PROCEDURES, OR
26 STANDARDS CONSISTENT WITH THE MISSION OF THE LOCAL COMMISSION AND TO
27 CARRY OUT THE REQUIREMENTS OF THIS TITLE.

28 11C-105.

1 (A) A LOCAL LAW ESTABLISHING A LOCAL COMMISSION SHALL REQUIRE
2 COMMON OWNERSHIP COMMUNITIES IN THE COUNTY TO REGISTER WITH THE LOCAL
3 COMMISSION ANNUALLY ON A FORM THAT IDENTIFIES:

4 (1) THE ELECTED LEADERSHIP OF THE COMMON OWNERSHIP
5 COMMUNITY; AND

6 (2) THE MANAGING AGENTS OF THE COMMON OWNERSHIP
7 COMMUNITY.

8 (B) A COMMON OWNERSHIP COMMUNITY THAT FAILS TO REGISTER OR
9 MAKES A FALSE STATEMENT ON A REGISTRATION FORM IS INELIGIBLE TO FILE A
10 DISPUTE.

11 11C-106.

12 (A) A LOCAL LAW ESTABLISHING A LOCAL COMMISSION MAY AUTHORIZE
13 THE COLLECTION OF A REASONABLE FEE FOR SERVICES PROVIDED BY THE LOCAL
14 COMMISSION.

15 (B) ANY AUTHORIZED FEE SHALL BE USED TO COVER THE COST OF
16 MAINTAINING THE LOCAL COMMISSION AND MAY INCLUDE:

17 (1) A PER UNIT ANNUAL CHARGE TO COMMON OWNERSHIP
18 COMMUNITIES TO RENEW REGISTRATION;

19 (2) FEES FOR DISPUTE RESOLUTION UNDER § 11C-110 OF THIS
20 TITLE, SERVICE, AND TECHNICAL ASSISTANCE; AND

21 (3) A PER UNIT CHARGE TO DEVELOPERS FOR THE RECORDATION OF
22 DOCUMENTS.

23 (C) IF THE COLLECTION OF A FEE BY A LOCAL COMMISSION IS AUTHORIZED
24 UNDER THIS SECTION, THE LOCAL COMMISSION SHALL PUBLISH THE FEE
25 SCHEDULE.

26 11C-107.

27 A LOCAL GOVERNMENT THAT ESTABLISHES A LOCAL COMMISSION SHALL
28 DESIGNATE A COUNTY AGENCY OR AN OFFICE TO:

29 (1) DISSEMINATE EDUCATIONAL MATERIALS REGARDING PROGRAMS
30 THAT ASSIST COMMON OWNERSHIP COMMUNITIES;

3 (3) MAINTAIN A LIST OF:

10 (5) MAINTAIN A COLLECTION OF GOVERNING DOCUMENTS;

13 (I) LEADERSHIP TRANSITION;

14 (II) ELECTIONS;

15 (III) ADOPTION OF RULES;

16 (IV) ENFORCEMENT OF RULES;

17 (v) SELECTION OF ASSOCIATION MANAGERS; AND

18 (VI) STORMWATER MANAGEMENT;

19 (7) MAINTAIN AN OPERATIONS MANUAL TO GUIDE

21 (8) ADVISE COMMON OWNERSHIP COMMUNITIES AND PROFESSIONAL

23 AFFECT THEIR COMMUNITIES OR OPERATIONS; AND

25 MEDIATION AND ADMINISTRATIVE HEARINGS.

20 110-108.

1 (A) A LOCAL COMMISSION MAY HEAR ANY DISPUTE BETWEEN PARTIES.

2 (B) A PARTY MAY NOT FILE A DISPUTE WITH A LOCAL COMMISSION UNTIL:

3 (1) THE PARTY HAS MADE A GOOD FAITH EFFORT TO EXHAUST ALL
4 PROCEDURES AND REMEDIES PROVIDED BY THE GOVERNING DOCUMENTS OF THE
5 COMMON OWNERSHIP COMMUNITY; AND

6 (2) AT LEAST 60 DAYS AFTER ANY PROCEDURE OR REMEDY HAS BEEN
7 INITIATED WITH THE GOVERNING BODY OF A COMMON OWNERSHIP COMMUNITY.

8 (C) (1) IF THE GOVERNING BODY OF A COMMON OWNERSHIP COMMUNITY
9 DETERMINES THAT A DISPUTE EXISTS, THE GOVERNING BODY OF THE COMMON
10 OWNERSHIP COMMUNITY SHALL NOTIFY THE OTHER PARTIES OF THE OPTION TO
11 FILE THE DISPUTE WITH A LOCAL COMMISSION.

12 (2) THE GOVERNING BODY OF A COMMON OWNERSHIP COMMUNITY
13 MAY NOT TAKE ACTION TO ENFORCE OR IMPLEMENT THE DECISION OF THE
14 GOVERNING BODY FOR 14 DAYS FOLLOWING NOTIFICATION OF ALL OTHER PARTIES.

15 (D) EXCEPT AS PROVIDED IN § 11C-109 OF THIS TITLE, ON THE FILING OF
16 A DISPUTE WITH A LOCAL COMMISSION, THE DECISION OF THE GOVERNING BODY OF
17 A COMMON OWNERSHIP COMMUNITY SHALL BE STAYED AND MAY NOT BE ENFORCED
18 OR IMPLEMENTED, OTHER THAN BY FILING A CIVIL ACTION, UNTIL THE
19 COMPLETION OF THE DISPUTE PROCESS.

20 **11C-109.**

21 (A) (1) AT ANY TIME AFTER A DISPUTE IS FILED, THE GOVERNING BODY
22 OF A COMMON OWNERSHIP COMMUNITY MAY SUBMIT A REQUEST TO LIFT AN
23 AUTOMATIC STAY UNDER § 11C-108 OF THIS TITLE.

24 (2) IF A HEARING PANEL HAS NOT BEEN APPOINTED UNDER §
25 11C-112 OF THIS TITLE, THE LOCAL COMMISSION SHALL AUTHORIZE A SPECIAL
26 STANDING PANEL TO CONSIDER REQUESTS FOR RELIEF FROM STAYS.

27 (3) THE SPECIAL PANEL SHALL INCLUDE:

28 (I) THREE VOTING MEMBERS OF THE LOCAL COMMISSION
29 DESIGNATED BY THE CHAIR; AND

11 **(C) EXCEPT AS PROVIDED IN SUBSECTION (D) OF THIS SECTION, A REQUEST**
12 **FOR RELIEF FROM A STAY MAY BE GRANTED ONLY IF THE ASSIGNED PANEL FINDS**
13 **THAT:**

14 (1) ENFORCING THE STAY WOULD RESULT IN UNDUE HARM TO THE
15 COMMON OWNERSHIP COMMUNITY; AND

16 (2) LIFTING THE STAY WILL NOT RESULT IN UNDUE HARM TO THE
17 RIGHTS OR INTERESTS OF ANY OPPONING PARTY.

18 (D) IF A REQUEST FOR RELIEF FROM A STAY STATING FACTS SUFFICIENT TO
19 SHOW A NEED FOR IMMEDIATE ACTION IS NOT GRANTED OR DENIED WITHIN 20 DAYS
20 AFTER THE REQUEST WAS FILED, THE REQUEST SHALL BE DEEMED GRANTED.

21 11C-110.

22 (A) (1) FOLLOWING THE FILING OF A DISPUTE WITH A LOCAL
23 COMMISSION, AN AGENCY DESIGNATED BY A LOCAL GOVERNMENT UNDER §
24 11C-107 OF THIS TITLE MAY INVESTIGATE FACTS AND ASSEMBLE DOCUMENTS
25 RELEVANT TO THE DISPUTE AND MAY PREPARE A SUMMARY OF THE ISSUES IN THE
26 DISPUTE FOR USE BY THE LOCAL COMMISSION.

1 **(B) IF THE DESIGNATED AGENCY OR OFFICE FINDS THAT, ASSUMING ALL**
2 FACTS ALLEGED BY THE PARTY THAT FILED THE DISPUTE ARE TRUE, THERE ARE NO
3 REASONABLE GROUNDS TO CONCLUDE THAT A VIOLATION OF APPLICABLE LAW OR
4 ANY GOVERNING DOCUMENT HAS OCCURRED, THE DESIGNATED AGENCY OR OFFICE
5 SHALL INFORM THE LOCAL COMMISSION.

6 **(C) ON RECEIPT OF THE RESULTS OF AN INVESTIGATION BY A DESIGNATED**
7 AGENCY OR OFFICE, A LOCAL COMMISSION MAY:

8 **(1) IF IT FINDS THAT THERE ARE NO REASONABLE GROUNDS TO**
9 CONCLUDE THAT A VIOLATION OF APPLICABLE LAW OR ANY GOVERNING DOCUMENT
10 HAS OCCURRED, DISMISS THE DISPUTE;

11 **(2) REQUEST ADDITIONAL INVESTIGATION BY THE DESIGNATED**
12 AGENCY OR OFFICE; OR

13 **(3) SCHEDULE A HEARING ON THE DISPUTE.**

14 **(D) A LOCAL COMMISSION MAY RECONSIDER THE DISMISSAL OF A DISPUTE**
15 IF ANY PARTY FILES A MOTION TO RECONSIDER WITHIN 30 DAYS AFTER THE
16 DISPUTE IS DISMISSED, DEMONSTRATING THAT:

17 **(1) THE LOCAL COMMISSION ERRONEOUSLY INTERPRETED OR**
18 APPLIED APPLICABLE LAW OR A GOVERNING DOCUMENT; OR

19 **(2) MATERIAL ISSUES OF FACT THAT ARE NECESSARY TO A FAIR**
20 RESOLUTION OF THE DISPUTE REMAIN UNRESOLVED.

21 **11C-111.**

22 **(A) (1) ANY PARTY IN A DISPUTE MAY REQUEST MEDIATION.**

23 **(2) IF A PARTY REQUESTS MEDIATION, THE LOCAL COMMISSION**
24 SHALL NOTIFY ALL PARTIES OF THE REQUEST AND OF THE MEDIATION SESSION.

25 **(3) A LOCAL COMMISSION SHALL PROVIDE A QUALIFIED MEDIATOR**
26 TO MEET WITH THE PARTIES WITHIN 30 DAYS AFTER A PARTY REQUESTS MEDIATION
27 TO ATTEMPT TO SETTLE THE DISPUTE.

28 **(B) IF A PARTY REFUSES TO ATTEND A MEDIATION SESSION, OR IF**
29 MEDIATION DOES NOT SUCCESSFULLY RESOLVE THE DISPUTE WITHIN 10 DAYS

1 AFTER THE FIRST MEDIATION SESSION IS HELD, THE LOCAL COMMISSION SHALL
2 PROMPTLY SCHEDULE A HEARING.

3 11C-112.

4 (A) (1) IF A HEARING IS SCHEDULED, THE CHAIR OF THE LOCAL
5 COMMISSION SHALL CONVENE A PANEL TO HEAR THE DISPUTE.

6 (2) THE CHAIR SHALL SELECT AT LEAST ONE MEMBER DESCRIBED
7 UNDER § 11C-103(B)(1)(I)1 OF THIS TITLE AND AT LEAST ONE MEMBER DESCRIBED
8 UNDER § 11C-103(B)(1)(I)2 OF THIS TITLE.

9 (3) THE LOCAL COMMISSION MEMBERS SELECTED BY THE CHAIR
10 SHALL DESIGNATE A THIRD MEMBER OF THE PANEL FROM A LIST OF VOLUNTEER
11 ARBITRATORS TRAINED OR EXPERIENCED IN COMMON OWNERSHIP COMMUNITY
12 ISSUES MAINTAINED BY THE LOCAL COMMISSION.

13 (4) IF A SUITABLE ARBITRATOR IS NOT AVAILABLE, THE CHAIR OF
14 THE LOCAL COMMISSION SHALL DESIGNATE:

15 (I) A THIRD PANELIST FROM AMONG THE VOTING MEMBERS OF
16 THE LOCAL COMMISSION; AND

17 (II) THE CHAIR OF THE PANEL.

18 (B) A PANELIST MAY NOT HAVE AN INTEREST IN THE DISPUTE TO BE HEARD.

19 (C) A HEARING PANEL SHALL HOLD A HEARING ON EACH DISPUTE THAT IS
20 NOT RESOLVED THROUGH MEDIATION UNDER § 11C-111 OF THIS TITLE UNLESS THE
21 LOCAL COMMISSION DETERMINES THAT THE DISPUTE IS:

22 (1) IDENTICAL TO ANOTHER DISPUTE BETWEEN THE SAME PARTIES
23 ON WHICH A HEARING HAS ALREADY BEEN HELD UNDER THIS SECTION; OR

24 (2) CLEARLY NOT WITHIN THE JURISDICTION OF THE LOCAL
25 COMMISSION.

26 (D) A LOCAL COMMISSION SHALL PROVIDE NOTICE OF A HEARING TO ALL
27 PARTIES NOT LESS THAN 30 DAYS BEFORE A HEARING, UNLESS THE LOCAL
28 COMMISSION DETERMINES THAT AN EXPEDITED HEARING IS NECESSARY, IN WHICH
29 CASE NOTICE SHALL BE PROVIDED TO ALL PARTIES AT LEAST 15 DAYS BEFORE A
30 HEARING.

1 **(E) A PARTY OR WITNESS MAY BE ADVISED BY COUNSEL AT A HEARING.**

2 **(F) IF A PARTY, AFTER PROPER NOTICE, DOES NOT APPEAR AT THE**
3 **SCHEDULED HEARING, THE HEARING PANEL MAY ORDER ANY RELIEF FOR ANOTHER**
4 **PARTY THAT THE FACTS ON RECORD WARRANT.**

5 **(G) (1) THE HEARING PANEL SHALL APPLY STATE AND COUNTY LAWS**
6 **AND ALL RELEVANT CASE LAW TO THE FACTS OF THE DISPUTE.**

7 **(2) A DECISION OF THE HEARING PANEL IS BINDING ON THE PARTIES.**

8 **(H) (1) A LOCAL COMMISSION MAY ENFORCE A DECISION OF THE**
9 **HEARING PANEL BY APPROPRIATE LEGAL ACTION.**

10 **(2) IN ADDITION TO ANY OTHER ENFORCEMENT ACTION, A LOCAL**
11 **COMMISSION MAY:**

12 **(I) FILE FOR INJUNCTIVE RELIEF TO ENFORCE OR CORRECT**
13 **ANY VIOLATION OF THIS TITLE; AND**

14 **(II) FILE TO RECOVER DAMAGES FOR A LOSS SUSTAINED AS A**
15 **RESULT OF A VIOLATION OF THIS TITLE.**

16 **(I) A HEARING PANEL MAY AWARD COSTS, INCLUDING REASONABLE**
17 **ATTORNEY'S FEES, TO ANY PARTY IF ANY OTHER PARTY:**

18 **(1) FILED OR MAINTAINED A FRIVOLOUS DISPUTE, OR FILED OR**
19 **MAINTAINED A DISPUTE IN BAD FAITH;**

20 **(2) REFUSED TO PARTICIPATE IN MEDIATION OF A DISPUTE; OR**

21 **(3) SUBSTANTIALLY DELAYED OR HINDERED THE DISPUTE**
22 **RESOLUTION PROCESS WITHOUT GOOD CAUSE.**

23 **(J) A HEARING PANEL MAY REQUIRE A LOSING PARTY IN A DISPUTE TO PAY**
24 **ALL OR PART OF ANY FILING FEE.**

25 **(K) A LOCAL GOVERNMENT MAY:**

26 **(1) ESTABLISH ADDITIONAL HEARING PROCEDURES; AND**

27 **(2) ADOPT ADDITIONAL REQUIREMENTS RELATING TO WITNESSES**
28 **AND EVIDENCE FOR A HEARING.**

1 **11C-113.**2 **(A) A PARTY MAY APPEAL A DECISION OF A HEARING PANEL TO A COURT OF**
3 **COMPETENT JURISDICTION.**4 **(B) AN APPEAL OF A DECISION SHALL BE CONSOLIDATED WITH ANY CASE**
5 **THAT ARISES OUT OF THE SAME FACTS.**6 **(C) THE COURT HEARING AN APPEAL SHALL SUSTAIN THE DECISION OF THE**
7 **HEARING PANEL UNLESS THE DECISION IS:**8 **(1) INCONSISTENT WITH APPLICABLE LAW;**9 **(2) LACKING SUBSTANTIAL EVIDENCE; OR**10 **(3) ARBITRARY AND CAPRICIOUS.**11 **11C-114.**12 **(A) A PARTY MAY FILE A CIVIL ACTION ARISING OUT OF A GOVERNING**
13 **DOCUMENT OR A LAW REGULATING THE POWERS OF A GOVERNING BODY OF A**
14 **COMMON OWNERSHIP COMMUNITY.**15 **(B) IF THE COURT IS NOTIFIED THAT A DISPUTE HAS BEEN FILED WITH A**
16 **LOCAL COMMISSION IN ACCORDANCE WITH THIS TITLE, THE COURT MAY POSTPONE**
17 **A PROCEEDING FOR AT LEAST 90 DAYS.**18 **(C) THE COURT MAY HEAR THE ACTION DE NOVO IF A HEARING PANEL**
19 **ASSIGNED TO THE DISPUTE HAS NOT ISSUED A DECISION UNDER § 11C-112 OF THIS**
20 **TITLE.**21 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
22 1, 2026.