

HOUSE BILL 402

N1, I3, P1
HB 306/25 – ENT

6lr1697
CF SB 981

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

Committee Report: Favorable with amendments
House action: Adopted
Read second time: March 9, 2026

CHAPTER _____

1 AN ACT concerning

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

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

12 ~~BY adding to~~
13 ~~Article – Commercial Law~~
14 ~~Section 13-207~~
15 ~~Annotated Code of Maryland~~
16 ~~(2025 Replacement Volume)~~

17 ~~BY adding to~~
18 ~~Article – Housing and Community Development~~
19 ~~Section 2-304~~
20 ~~Annotated Code of Maryland~~
21 ~~(2019 Replacement Volume and 2025 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 11C–101 through ~~11C–114~~ 11C–206 to be under the new title “Title 11C.
 4 ~~Local Commissions on~~ Common Ownership Communities”
 5 Annotated Code of Maryland
 6 (2023 Replacement Volume and 2025 Supplement)

7 BY repealing and reenacting, without amendments,
 8 Article – State Finance and Procurement
 9 Section 6–226(a)(1) and (2)(i) and (ii)
 10 Annotated Code of Maryland
 11 (2021 Replacement Volume and 2025 Supplement)

12 BY repealing and reenacting, with amendments,
 13 Article – State Finance and Procurement
 14 Section 6–226(a)(2)(iii)212. and 213.
 15 Annotated Code of Maryland
 16 (2021 Replacement Volume and 2025 Supplement)

17 BY adding to
 18 Article – State Finance and Procurement
 19 Section 6–226(a)(2)(iii)214.
 20 Annotated Code of Maryland
 21 (2021 Replacement Volume and 2025 Supplement)

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

24 ~~Article – Commercial Law~~

25 ~~13–207.~~

26 ~~(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS~~
 27 ~~INDICATED:~~

28 ~~(2) “COMMON OWNERSHIP COMMUNITY” MEANS:~~

29 ~~(i) A COOPERATIVE HOUSING CORPORATION AS DEFINED IN §~~
 30 ~~5–6B–01 OF THE CORPORATIONS AND ASSOCIATIONS ARTICLE;~~

31 ~~(ii) A CONDOMINIUM AS DEFINED IN § 11–101 OF THE REAL~~
 32 ~~PROPERTY ARTICLE; OR~~

33 ~~(iii) A HOMEOWNERS ASSOCIATION AS DEFINED IN § 11B–101 OF~~
 34 ~~THE REAL PROPERTY ARTICLE.~~

1 ~~(3) "GOVERNING BODY" MEANS:~~

2 ~~(I) THE COUNCIL OF UNIT OWNERS OF A CONDOMINIUM;~~

3 ~~(II) THE BOARD OF DIRECTORS OF A COOPERATIVE HOUSING~~
4 ~~CORPORATION;~~

5 ~~(III) A HOMEOWNERS ASSOCIATION, BOARD OF DIRECTORS, OR~~
6 ~~ANY OTHER ENTITY ESTABLISHED TO GOVERN A PROPERTY SUBJECT TO AN~~
7 ~~INSTRUMENT THAT IMPOSES ON LOTS, OR ON THE OWNERS OR OCCUPANTS OF LOTS,~~
8 ~~ANY MANDATORY FEE IN CONNECTION WITH THE PROVISION OF SERVICES OR~~
9 ~~OTHERWISE FOR THE BENEFIT OF SOME OR ALL OF THE LOTS; OR~~

10 ~~(IV) ANY OTHER BODY AUTHORIZED TO ADOPT RULES OR~~
11 ~~REGULATIONS GOVERNING A CONDOMINIUM, COOPERATIVE HOUSING~~
12 ~~CORPORATION, OR HOMEOWNERS ASSOCIATION.~~

13 ~~(4) "LOCAL COMMISSION" MEANS A COMMISSION ON COMMON~~
14 ~~OWNERSHIP COMMUNITIES ESTABLISHED BY A COUNTY, IN ACCORDANCE WITH §~~
15 ~~11C-101 OF THE REAL PROPERTY ARTICLE.~~

16 ~~(5) "MEMBER" MEANS:~~

17 ~~(I) AN OCCUPANT OR A UNIT OWNER UNDER THE MARYLAND~~
18 ~~CONDOMINIUM ACT;~~

19 ~~(II) A LOT OWNER UNDER THE MARYLAND HOMEOWNERS~~
20 ~~ASSOCIATION ACT; OR~~

21 ~~(III) A MEMBER OF A COOPERATIVE HOUSING CORPORATION AS~~
22 ~~DEFINED IN § 5-6B-01 OF THE CORPORATIONS AND ASSOCIATIONS ARTICLE.~~

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

25 ~~(B) THERE IS A COMMON OWNERSHIP COMMUNITY OMBUDSMAN UNIT IN~~
26 ~~THE DIVISION OF CONSUMER PROTECTION.~~

27 ~~(C) THE PURPOSE OF THE UNIT IS:~~

28 ~~(1) TO MONITOR CHANGES IN FEDERAL AND STATE LAWS RELATING~~
29 ~~TO COMMON OWNERSHIP COMMUNITIES;~~

1 ~~(2) TO PUBLISH INFORMATION CONCERNING COMMON OWNERSHIP~~
2 ~~COMMUNITIES ON THE WEBSITE OF THE OFFICE OF THE ATTORNEY GENERAL;~~

3 ~~(3) TO ASSIST MEMBERS IN UNDERSTANDING RIGHTS AND~~
4 ~~PROCESSES AVAILABLE TO MEMBERS UNDER LAWS AND REGULATIONS GOVERNING~~
5 ~~COMMON OWNERSHIP COMMUNITIES; AND~~

6 ~~(4) ON REQUEST, TO PROVIDE REFERRALS TO PUBLIC AND PRIVATE~~
7 ~~ALTERNATIVE DISPUTE RESOLUTION SERVICES, WITH A GOAL OF REDUCING AND~~
8 ~~RESOLVING CONFLICTS AMONG GOVERNING BODIES AND MEMBERS.~~

9 ~~(D) THE UNIT SHALL INCLUDE:~~

10 ~~(1) A FULL-TIME COMMON OWNERSHIP COMMUNITY OMBUDSMAN;~~
11 ~~AND~~

12 ~~(2) STAFF AS PROVIDED IN THE STATE BUDGET.~~

13 ~~(E) (1) THE ATTORNEY GENERAL SHALL APPOINT THE COMMON~~
14 ~~OWNERSHIP COMMUNITY OMBUDSMAN.~~

15 ~~(2) THE COMMON OWNERSHIP COMMUNITY OMBUDSMAN MUST BE A~~
16 ~~MEMBER OF THE MARYLAND BAR.~~

17 ~~(F) THE UNIT SHALL RECEIVE AND RESPOND TO COMPLAINTS BY MEMBERS~~
18 ~~REGARDING FINAL ADVERSE DECISIONS BY A GOVERNING BODY OR COMMON~~
19 ~~OWNERSHIP COMMUNITY MANAGER.~~

20 ~~(G) IN RESPONSE TO A COMPLAINT, OR ON THE INITIATIVE OF THE~~
21 ~~OMBUDSMAN, THE UNIT SHALL:~~

22 ~~(1) REFER THE COMPLAINT TO AN APPROPRIATE LOCAL COMMISSION~~
23 ~~FOR FURTHER REVIEW OF WHETHER THE FINAL ADVERSE DECISION CONFLICTS~~
24 ~~WITH LAWS OR REGULATIONS GOVERNING COMMON OWNERSHIP COMMUNITIES IN~~
25 ~~THE JURISDICTION; OR~~

26 ~~(2) MAKE A DETERMINATION OF WHETHER THE FINAL ADVERSE~~
27 ~~DECISION CONFLICTS WITH LAWS OR REGULATIONS GOVERNING COMMON~~
28 ~~OWNERSHIP COMMUNITIES AND PROMPTLY NOTIFY THE COMPLAINANT OF THE~~
29 ~~DETERMINATION.~~

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

~~(2) IF WITHIN 1 YEAR AFTER ISSUING A DETERMINATION THE OMBUDSMAN RECEIVES A SUBSEQUENT COMPLAINT OF A FINAL ADVERSE DECISION FOR THE SAME VIOLATION, THE UNIT SHALL REFER THE MATTER TO THE APPROPRIATE LOCAL COMMISSION.~~

~~(I) (1) ON OR BEFORE DECEMBER 1, 2028, AND EACH DECEMBER 1 THEREAFTER, THE UNIT SHALL REPORT TO THE DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT AND, IN ACCORDANCE WITH § 2-1257 OF THE STATE GOVERNMENT ARTICLE, THE GENERAL ASSEMBLY ON THE ACTIVITIES OF THE UNIT DURING THE REPORTING PERIOD.~~

~~(2) THE REPORT REQUIRED UNDER PARAGRAPH (1) OF THIS SUBSECTION SHALL INCLUDE:~~

~~(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 COMMISSIONS; AND~~

~~(V) DATA ON DISPOSITIONS AND OUTCOMES OF COMPLAINTS RECEIVED.~~

~~Article Housing and Community Development~~

~~2-304.~~

~~(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED:~~

~~(2) "COMMON OWNERSHIP COMMUNITY" HAS THE MEANING STATED IN § 2-303 OF THIS SUBTITLE.~~

~~(3) "GOVERNING DOCUMENTS" MEANS AN OFFERING STATEMENT, A DECLARATION, BYLAWS, RULES, REGULATIONS, A PROPRIETARY LEASE, OR ANY OTHER SIMILAR DOCUMENT OF A COMMON OWNERSHIP COMMUNITY.~~

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

~~(2) A COMMON OWNERSHIP COMMUNITY THAT FAILS TO MAKE A FILING REQUIRED UNDER PARAGRAPH (1) OF THIS SUBSECTION IS SUBJECT TO A FINE OF \$500.~~

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

~~(2) THE DEPARTMENT MAY CHARGE THE FOLLOWING FEES FOR FILINGS REQUIRED UNDER THIS SECTION:~~

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

~~(II) FOR ANY AMENDMENT TO A GOVERNING DOCUMENT, UP TO \$25.~~

Article – Real Property

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

SUBTITLE 1. LOCAL COMMISSIONS ON COMMON OWNERSHIP COMMUNITIES.

11C-101.

(A) IN THIS ~~TITLE~~ SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(B) "COMMON ELEMENT" MEANS:

(1) ANY PORTION OF A COMMON OWNERSHIP COMMUNITY OTHER THAN THE UNITS OF A CONDOMINIUM OR COOPERATIVE; AND

- 1 4. **PROPERLY ADOPT A BUDGET OR RULES;**
- 2 5. **MAINTAIN OR AUDIT BOOKS AND RECORDS;**
- 3 6. **ALLOW INSPECTION OF BOOKS AND RECORDS;**
- 4 7. **MAINTAIN OR REPAIR A COMMON ELEMENT IF THE**
5 **FAILURE RESULTS IN SIGNIFICANT PERSONAL INJURY OR PROPERTY DAMAGE; OR**
- 6 8. **EXERCISE ITS JUDGMENT IN GOOD FAITH**
7 **CONCERNING THE ENFORCEMENT OF THE GOVERNING DOCUMENTS AGAINST ANY**
8 **PERSON THAT IS SUBJECT TO THOSE DOCUMENTS.**

9 (2) **“DISPUTE” DOES NOT INCLUDE A DISAGREEMENT THAT**
10 **INVOLVES:**

- 11 (I) **TITLE TO ANY UNIT OR COMMON ELEMENT;**
- 12 (II) **THE PERCENTAGE INTEREST OR VOTE ALLOCABLE TO A**
13 **UNIT;**
- 14 (III) **THE INTERPRETATION OR ENFORCEMENT OF ANY**
15 **WARRANTY;**
- 16 (IV) **THE COLLECTION OF AN ASSESSMENT VALIDLY LEVIED**
17 **AGAINST A PARTY; OR**
- 18 (V) **THE EXERCISE OF THE JUDGMENT OR DISCRETION OF A**
19 **COMMON OWNERSHIP COMMUNITY REGARDING ANY LEGALLY AUTHORIZED ACTION.**

20 (E) **“GOVERNING BODY OF A COMMON OWNERSHIP COMMUNITY” MEANS:**

- 21 (1) **THE COUNCIL OF UNIT OWNERS OF A CONDOMINIUM;**
- 22 (2) **THE BOARD OF DIRECTORS OF A COOPERATIVE HOUSING**
23 **CORPORATION;**
- 24 (3) **A HOMEOWNERS ASSOCIATION, BOARD OF DIRECTORS, OR ANY**
25 **OTHER ENTITY ESTABLISHED TO GOVERN A PROPERTY SUBJECT TO AN INSTRUMENT**
26 **THAT IMPOSES ON LOTS, OR ON THE OWNERS OR OCCUPANTS OF LOTS, ANY**
27 **MANDATORY FEE IN CONNECTION WITH THE PROVISION OF SERVICES OR**
28 **OTHERWISE FOR THE BENEFIT OF SOME OR ALL OF THE LOTS; OR**

1 **(4) ANY OTHER BODY AUTHORIZED TO ADOPT RULES OR**
2 **REGULATIONS GOVERNING A CONDOMINIUM, COOPERATIVE HOUSING**
3 **CORPORATION, OR HOMEOWNERS ASSOCIATION.**

4 **(F) (1) “GOVERNING DOCUMENT” MEANS:**

5 **(I) THE MASTER DEED, DECLARATION, INCORPORATION**
6 **DOCUMENT, BYLAWS, OR RULES OF ANY COMMON OWNERSHIP COMMUNITY;**

7 **(II) A WRITTEN PRIVATE AGREEMENT BETWEEN PARTIES**
8 **CONCERNING THE OPERATION OF THE COMMUNITY OR MAINTENANCE OR CONTROL**
9 **OF COMMON OR LIMITED COMMON PROPERTY; OR**

10 **(III) A DOCUMENT CONCERNING THE OPERATION OR**
11 **GOVERNANCE OF A COMMON OWNERSHIP COMMUNITY.**

12 **(2) “GOVERNING DOCUMENT” DOES NOT INCLUDE A LEASE UNLESS**
13 **THE LEASE PROVIDES THAT IT MAY BE ENFORCED UNDER THIS ~~TITLE~~ SUBTITLE.**

14 **(G) “LOCAL COMMISSION” MEANS A COMMISSION ON COMMON OWNERSHIP**
15 **COMMUNITIES ESTABLISHED BY A COUNTY IN ACCORDANCE WITH THIS ~~TITLE~~**
16 **SUBTITLE.**

17 **(H) “LOCAL GOVERNMENT” MEANS:**

18 **(1) THE COUNTY COMMISSIONERS OR COUNTY COUNCIL OF A**
19 **COUNTY;**

20 **(2) IF THE CHARTER OF THE COUNTY PROVIDES FOR A COUNTY**
21 **EXECUTIVE, THE COUNTY EXECUTIVE AND THE COUNTY COUNCIL; OR**

22 **(3) THE MAYOR AND CITY COUNCIL OF BALTIMORE CITY.**

23 **(I) “OWNER” MEANS:**

24 **(1) A UNIT OWNER IN A CONDOMINIUM;**

25 **(2) A MEMBER OF A COOPERATIVE HOUSING CORPORATION; OR**

26 **(3) A LOT OWNER IN A HOMEOWNERS ASSOCIATION.**

27 **11C-102.**

1 THE PROVISIONS OF THIS ~~THE~~ SUBTITLE SUPERSEDE ANY INCONSISTENT
2 PROVISIONS OF LOCAL LAW THAT CONFLICT WITH THIS ~~THE~~ SUBTITLE TO THE
3 EXTENT OF THE CONFLICT.

4 11C-103.

5 (A) A LOCAL COMMISSION ON COMMON OWNERSHIP COMMUNITIES
6 ESTABLISHED BY THE LOCAL GOVERNMENT OF A COUNTY BY LOCAL LAW SHALL
7 COMPLY WITH THE REQUIREMENTS OF THIS ~~THE~~ SUBTITLE.

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

10 1. ARE OWNERS IN A COMMON OWNERSHIP COMMUNITY;
11 AND

12 2. REPRESENT PROFESSIONS ASSOCIATED WITH
13 COMMON OWNERSHIP COMMUNITIES, INCLUDING INDIVIDUALS INVOLVED IN
14 HOUSING DEVELOPMENT OR REAL ESTATE SALES, DEVELOPERS, OR ATTORNEYS
15 WHO REPRESENT COMMON OWNERSHIP COMMUNITIES INCLUDING AT LEAST ONE
16 MEMBER WHO IS A LICENSED COMMON OWNERSHIP COMMUNITY MANAGER.

17 (II) THE LOCAL GOVERNMENT SHALL DETERMINE THE TOTAL
18 NUMBER OF MEMBERS OF THE LOCAL COMMISSION.

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

21 (I) A DESIGNEE OF THE LOCAL GOVERNMENT; AND

22 (II) A DESIGNEE OF A COUNTY AGENCY DEALING WITH:

23 1. PLANNING;

24 2. ENVIRONMENT;

25 3. PERMITTING;

26 4. TRANSPORTATION; OR

27 5. HOUSING AND COMMUNITY AFFAIRS.

1 (C) THE CHAIR AND VICE CHAIR OF A LOCAL COMMISSION SHALL BE
2 ELECTED FROM AMONG THE VOTING MEMBERSHIP OF THE LOCAL COMMISSION.

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

6 (2) A MEMBER OF A LOCAL COMMISSION MAY NOT SERVE MORE THAN
7 TWO CONSECUTIVE TERMS.

8 11C-104.

9 (A) A MAJORITY OF THE TOTAL MEMBERSHIP OF A LOCAL COMMISSION
10 SHALL CONSTITUTE A QUORUM.

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

13 (C) A MEMBER OF A LOCAL COMMISSION:

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

16 (2) IS ENTITLED TO REIMBURSEMENT FOR EXPENSES UNDER THE
17 STANDARD COUNTY TRAVEL REGULATIONS.

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

19 (I) ADOPT RULES OF PROFESSIONAL CONDUCT AS
20 APPROPRIATE FOR MEMBERS AND STAFF;

21 (II) KEEP A RECORD OF ITS PROCEEDINGS;

22 (III) EXAMINE THE NEEDS OF COMMON OWNERSHIP
23 COMMUNITIES IN THE COUNTY;

24 (IV) ADVISE COUNTY GOVERNMENT AND APPROPRIATE STATE
25 AND FEDERAL AGENCIES ON MATTERS RELATING TO COMMON OWNERSHIP
26 COMMUNITIES; AND

27 (V) PROVIDE TRAINING ON THE RESPONSIBILITIES OF A LOCAL
28 COMMISSION'S MEMBERS TO THE GOVERNING BODY OF A COMMON OWNERSHIP
29 COMMUNITY BY:

1 1. DEVELOPING AN EDUCATIONAL CURRICULUM FOR
2 NEW MEMBERS; AND

3 2. APPROVING AN ALTERNATIVE EDUCATIONAL
4 CURRICULUM FOR NEW MEMBERS.

5 (2) A LOCAL COMMISSION MAY:

6 (I) EMPLOY STAFF AS AUTHORIZED BY A LOCAL GOVERNMENT;

7 (II) ESTABLISH A PROCESS FOR RESOLVING DISCIPLINARY
8 MATTERS PENDING BEFORE THE LOCAL COMMISSION THROUGH NONJUDICIAL
9 DISPUTE RESOLUTION PROCESSES;

10 (III) DEVELOP EDUCATIONAL AND TRAINING OPPORTUNITIES
11 FOR GOVERNING BODIES;

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

14 (V) ADOPT ANY ADDITIONAL REGULATIONS, PROCEDURES, OR
15 STANDARDS CONSISTENT WITH THE MISSION OF THE LOCAL COMMISSION AND TO
16 CARRY OUT THE REQUIREMENTS OF THIS ~~TITLE~~ SUBTITLE.

17 **11C-105.**

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

21 (1) THE ELECTED LEADERSHIP OF THE COMMON OWNERSHIP
22 COMMUNITY; AND

23 (2) THE MANAGING AGENTS OF THE COMMON OWNERSHIP
24 COMMUNITY.

25 (B) A COMMON OWNERSHIP COMMUNITY THAT FAILS TO REGISTER OR
26 MAKES A FALSE STATEMENT ON A REGISTRATION FORM IS INELIGIBLE TO FILE A
27 DISPUTE.

28 **11C-106.**

1 (A) A LOCAL LAW ESTABLISHING A LOCAL COMMISSION MAY AUTHORIZE
2 THE COLLECTION OF A REASONABLE FEE FOR SERVICES PROVIDED BY THE LOCAL
3 COMMISSION.

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

6 (1) A PER UNIT ANNUAL CHARGE TO COMMON OWNERSHIP
7 COMMUNITIES TO RENEW REGISTRATION;

8 (2) FEES FOR DISPUTE RESOLUTION UNDER § 11C-110 OF THIS ~~TITLE~~
9 SUBTITLE, SERVICE, AND TECHNICAL ASSISTANCE; AND

10 (3) A PER UNIT CHARGE TO DEVELOPERS FOR THE RECORDATION OF
11 DOCUMENTS.

12 (C) IF THE COLLECTION OF A FEE BY A LOCAL COMMISSION IS AUTHORIZED
13 UNDER THIS SECTION, THE LOCAL COMMISSION SHALL PUBLISH THE FEE
14 SCHEDULE.

15 11C-107.

16 A LOCAL GOVERNMENT THAT ESTABLISHES A LOCAL COMMISSION SHALL
17 DESIGNATE A COUNTY AGENCY OR AN OFFICE TO:

18 (1) DISSEMINATE EDUCATIONAL MATERIALS REGARDING PROGRAMS
19 THAT ASSIST COMMON OWNERSHIP COMMUNITIES;

20 (2) CONDUCT EDUCATIONAL PROGRAMS TO PROMOTE THE
21 OPERATION OF COMMON OWNERSHIP COMMUNITIES;

22 (3) MAINTAIN A LIST OF:

23 (i) COMMON OWNERSHIP COMMUNITIES IN THE COUNTY,
24 INCLUDING THE LEADERSHIP OF EACH COMMON OWNERSHIP COMMUNITY; AND

25 (ii) PROFESSIONAL MANAGEMENT COMPANIES THAT PROVIDE
26 SERVICES TO COMMON OWNERSHIP COMMUNITIES IN THE COUNTY;

27 (4) MAINTAIN INFORMATION AND A REFERRAL SYSTEM FOR ALL
28 COUNTY SERVICES RELATED TO COMMON OWNERSHIP COMMUNITIES;

29 (5) MAINTAIN A COLLECTION OF GOVERNING DOCUMENTS;

1 **(6) PROVIDE TECHNICAL ASSISTANCE TO GOVERNING BODIES ON**
2 **MATTERS INCLUDING:**

3 **(I) LEADERSHIP TRANSITION;**

4 **(II) ELECTIONS;**

5 **(III) ADOPTION OF RULES;**

6 **(IV) ENFORCEMENT OF RULES;**

7 **(V) SELECTION OF ASSOCIATION MANAGERS; AND**

8 **(VI) STORMWATER MANAGEMENT;**

9 **(7) MAINTAIN AN OPERATIONS MANUAL TO GUIDE COMMON**
10 **OWNERSHIP COMMUNITY LEADERSHIP;**

11 **(8) ADVISE COMMON OWNERSHIP COMMUNITIES AND PROFESSIONAL**
12 **ASSOCIATION MANAGERS OF CHANGES IN THE LAWS AND REGULATIONS THAT**
13 **AFFECT THEIR COMMUNITIES OR OPERATIONS; AND**

14 **(9) OPERATE A DISPUTE RESOLUTION PROCESS TO FURNISH**
15 **MEDIATION AND ADMINISTRATIVE HEARINGS.**

16 **11C-108.**

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

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

19 **(1) THE PARTY HAS MADE A GOOD FAITH EFFORT TO EXHAUST ALL**
20 **PROCEDURES AND REMEDIES PROVIDED BY THE GOVERNING DOCUMENTS OF THE**
21 **COMMON OWNERSHIP COMMUNITY; AND**

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

24 **(C) (1) IF THE GOVERNING BODY OF A COMMON OWNERSHIP COMMUNITY**
25 **DETERMINES THAT A DISPUTE EXISTS, THE GOVERNING BODY OF THE COMMON**
26 **OWNERSHIP COMMUNITY SHALL NOTIFY THE OTHER PARTIES OF THE OPTION TO**
27 **FILE THE DISPUTE WITH A LOCAL COMMISSION.**

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

4 **(D) EXCEPT AS PROVIDED IN § 11C-109 OF THIS ~~TITLE~~ SUBTITLE, ON THE**
5 **FILING OF A DISPUTE WITH A LOCAL COMMISSION, THE DECISION OF THE**
6 **GOVERNING BODY OF A COMMON OWNERSHIP COMMUNITY SHALL BE STAYED AND**
7 **MAY NOT BE ENFORCED OR IMPLEMENTED, OTHER THAN BY FILING A CIVIL ACTION,**
8 **UNTIL THE COMPLETION OF THE DISPUTE PROCESS.**

9 **11C-109.**

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

13 **(2) IF A HEARING PANEL HAS NOT BEEN APPOINTED UNDER §**
14 **11C-112 OF THIS ~~TITLE~~ SUBTITLE, THE LOCAL COMMISSION SHALL AUTHORIZE A**
15 **SPECIAL STANDING PANEL TO CONSIDER REQUESTS FOR RELIEF FROM STAYS.**

16 **(3) THE SPECIAL PANEL SHALL INCLUDE:**

17 **(I) THREE VOTING MEMBERS OF THE LOCAL COMMISSION**
18 **DESIGNATED BY THE CHAIR; AND**

19 **(II) AT LEAST ONE MEMBER DESCRIBED UNDER §**
20 **11C-103(B)(1)(I)1 OF THIS ~~TITLE~~ SUBTITLE AND AT LEAST ONE MEMBER**
21 **DESCRIBED UNDER § 11C-103(B)(1)(I)2 OF THIS ~~TITLE~~ SUBTITLE.**

22 **(B) (1) A GOVERNING BODY OF A COMMON OWNERSHIP COMMUNITY**
23 **THAT REQUESTS RELIEF FROM A STAY SHALL SERVE A COPY OF ITS REQUEST ON ANY**
24 **PARTY NAMED IN THE DISPUTE BY CERTIFIED MAIL OR PERSONAL SERVICE.**

25 **(2) A CERTIFICATE OF SERVICE SHALL ACCOMPANY ANY REQUEST**
26 **SUBMITTED UNDER THIS SECTION.**

27 **(3) A PARTY SERVED WITH A COPY OF THE REQUEST SHALL FILE ANY**
28 **OPPOSITION TO THE REQUEST WITHIN 10 DAYS AFTER RECEIVING SERVICE.**

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

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

3 (2) LIFTING THE STAY WILL NOT RESULT IN UNDUE HARM TO THE
4 RIGHTS OR INTERESTS OF ANY OPPOSING PARTY.

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

8 11C-110.

9 (A) (1) FOLLOWING THE FILING OF A DISPUTE WITH A LOCAL
10 COMMISSION, AN AGENCY DESIGNATED BY A LOCAL GOVERNMENT UNDER §
11 11C-107 OF THIS ~~TITLE~~ SUBTITLE MAY INVESTIGATE FACTS AND ASSEMBLE
12 DOCUMENTS RELEVANT TO THE DISPUTE AND MAY PREPARE A SUMMARY OF THE
13 ISSUES IN THE DISPUTE FOR USE BY THE LOCAL COMMISSION.

14 (2) THE DESIGNATED AGENCY OR OFFICE MAY NOTIFY A PARTY IF
15 THE DESIGNATED AGENCY OR OFFICE FINDS THAT A DISPUTE WAS NOT PROPERLY
16 FILED.

17 (3) THE DESIGNATED AGENCY OR OFFICE MAY NOTIFY EACH PARTY
18 OF THE DISPUTE REGARDING POSSIBLE SANCTIONS UNDER § 11C-112 OF THIS
19 ~~TITLE~~ SUBTITLE.

20 (B) IF THE DESIGNATED AGENCY OR OFFICE FINDS THAT, ASSUMING ALL
21 FACTS ALLEGED BY THE PARTY THAT FILED THE DISPUTE ARE TRUE, THERE ARE NO
22 REASONABLE GROUNDS TO CONCLUDE THAT A VIOLATION OF APPLICABLE LAW OR
23 ANY GOVERNING DOCUMENT HAS OCCURRED, THE DESIGNATED AGENCY OR OFFICE
24 SHALL INFORM THE LOCAL COMMISSION.

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

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

30 (2) REQUEST ADDITIONAL INVESTIGATION BY THE DESIGNATED
31 AGENCY OR OFFICE; OR

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

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

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

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

9 **11C-111.**

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

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

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

16 **(B) IF A PARTY REFUSES TO ATTEND A MEDIATION SESSION, OR IF**
17 **MEDIATION DOES NOT SUCCESSFULLY RESOLVE THE DISPUTE WITHIN 10 DAYS**
18 **AFTER THE FIRST MEDIATION SESSION IS HELD, THE LOCAL COMMISSION SHALL**
19 **PROMPTLY SCHEDULE A HEARING.**

20 **11C-112.**

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

23 **(2) THE CHAIR SHALL SELECT AT LEAST ONE MEMBER DESCRIBED**
24 **UNDER § 11C-103(B)(1)(I)1 OF THIS ~~TITLE~~ SUBTITLE AND AT LEAST ONE MEMBER**
25 **DESCRIBED UNDER § 11C-103(B)(1)(I)2 OF THIS ~~TITLE~~ SUBTITLE.**

26 **(3) THE LOCAL COMMISSION MEMBERS SELECTED BY THE CHAIR**
27 **SHALL DESIGNATE A THIRD MEMBER OF THE PANEL FROM A LIST OF VOLUNTEER**
28 **ARBITRATORS TRAINED OR EXPERIENCED IN COMMON OWNERSHIP COMMUNITY**
29 **ISSUES MAINTAINED BY THE LOCAL COMMISSION.**

1 **(4) IF A SUITABLE ARBITRATOR IS NOT AVAILABLE, THE CHAIR OF**
2 **THE LOCAL COMMISSION SHALL DESIGNATE:**

3 **(I) A THIRD PANELIST FROM AMONG THE VOTING MEMBERS OF**
4 **THE LOCAL COMMISSION; AND**

5 **(II) THE CHAIR OF THE PANEL.**

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

7 **(C) A HEARING PANEL SHALL HOLD A HEARING ON EACH DISPUTE THAT IS**
8 **NOT RESOLVED THROUGH MEDIATION UNDER § 11C-111 OF THIS ~~TITLE~~ SUBTITLE**
9 **UNLESS THE LOCAL COMMISSION DETERMINES THAT THE DISPUTE IS:**

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

12 **(2) CLEARLY NOT WITHIN THE JURISDICTION OF THE LOCAL**
13 **COMMISSION.**

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

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

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

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

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

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

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

1 (I) FILE FOR INJUNCTIVE RELIEF TO ENFORCE OR CORRECT
2 ANY VIOLATION OF THIS ~~TITLE~~ SUBTITLE; AND

3 (II) FILE TO RECOVER DAMAGES FOR A LOSS SUSTAINED AS A
4 RESULT OF A VIOLATION OF THIS ~~TITLE~~ SUBTITLE.

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

7 (1) FILED OR MAINTAINED A FRIVOLOUS DISPUTE, OR FILED OR
8 MAINTAINED A DISPUTE IN BAD FAITH;

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

10 (3) SUBSTANTIALLY DELAYED OR HINDERED THE DISPUTE
11 RESOLUTION PROCESS WITHOUT GOOD CAUSE.

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

14 (K) A LOCAL GOVERNMENT MAY:

15 (1) ESTABLISH ADDITIONAL HEARING PROCEDURES; AND

16 (2) ADOPT ADDITIONAL REQUIREMENTS RELATING TO WITNESSES
17 AND EVIDENCE FOR A HEARING.

18 11C-113.

19 (A) A PARTY MAY APPEAL A DECISION OF A HEARING PANEL TO ~~A COURT OF~~
20 ~~COMPETENT JURISDICTION~~ THE APPROPRIATE CIRCUIT COURT.

21 (B) AN APPEAL OF A DECISION ~~SHALL~~ MAY BE CONSOLIDATED WITH ANY
22 CASE THAT ARISES OUT OF THE SAME FACTS.

23 (C) THE COURT HEARING AN APPEAL SHALL SUSTAIN THE DECISION OF THE
24 HEARING PANEL UNLESS THE DECISION IS:

25 (1) INCONSISTENT WITH APPLICABLE LAW;

26 (2) LACKING SUBSTANTIAL EVIDENCE; OR

27 (3) ARBITRARY AND CAPRICIOUS.

1 **11C-114.**

2 (A) A PARTY MAY FILE A CIVIL ACTION ARISING OUT OF A GOVERNING
3 DOCUMENT OR A LAW REGULATING THE POWERS OF A GOVERNING BODY OF A
4 COMMON OWNERSHIP COMMUNITY.

5 (B) IF THE COURT IS NOTIFIED THAT A DISPUTE HAS BEEN FILED WITH A
6 LOCAL COMMISSION IN ACCORDANCE WITH THIS ~~TITLE~~ SUBTITLE, THE COURT MAY
7 POSTPONE A PROCEEDING FOR AT LEAST 90 DAYS.

8 (C) THE COURT MAY HEAR THE ACTION DE NOVO IF A HEARING PANEL
9 ASSIGNED TO THE DISPUTE HAS NOT ISSUED A DECISION UNDER § 11C-112 OF THIS
10 ~~TITLE~~ SUBTITLE.

11 **SUBTITLE 2. COMMON OWNERSHIP COMMUNITY OVERSIGHT DIVISION.**

12 **11C-201.**

13 (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS
14 INDICATED.

15 (B) “COMMON OWNERSHIP COMMUNITY” HAS THE MEANING STATED IN §
16 11C-101 OF THIS TITLE.

17 (C) “DEPARTMENT” MEANS THE DEPARTMENT OF HOUSING AND
18 COMMUNITY DEVELOPMENT.

19 (D) “DIVISION” MEANS THE COMMON OWNERSHIP COMMUNITY
20 OVERSIGHT DIVISION IN THE DEPARTMENT.

21 (E) “GOVERNING BODY OF A COMMON OWNERSHIP COMMUNITY” HAS THE
22 MEANING STATED IN § 11C-101 OF THIS TITLE.

23 (F) “GOVERNING DOCUMENT” MEANS AN OFFERING STATEMENT, A
24 DECLARATION, BYLAWS, RULES, REGULATIONS, A PROPRIETARY LEASE, OR ANY
25 OTHER SIMILAR DOCUMENT OF A COMMON OWNERSHIP COMMUNITY.

26 (G) “LOCAL COMMISSION” MEANS A COMMISSION ON COMMON OWNERSHIP
27 COMMUNITIES ESTABLISHED BY A COUNTY IN ACCORDANCE WITH § 11C-103 OF
28 THIS TITLE.

29 (H) “MEMBER” MEANS:

1 (1) AN OCCUPANT OR A UNIT OWNER UNDER THE MARYLAND
2 CONDOMINIUM ACT;

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

5 (3) A MEMBER OF A COOPERATIVE HOUSING CORPORATION AS
6 DEFINED IN § 5-6B-01 OF THE CORPORATIONS AND ASSOCIATIONS ARTICLE.

7 11C-202.

8 (A) THERE IS A COMMON OWNERSHIP COMMUNITY OVERSIGHT DIVISION
9 IN THE DEPARTMENT.

10 (B) THE DIVISION SHALL HAVE STAFF AS PROVIDED IN THE STATE BUDGET.

11 (C) THE DIVISION SHALL:

12 (1) IN ACCORDANCE WITH § 11C-204 OF THIS SUBTITLE:

13 (I) RECEIVE AND INVESTIGATE COMPLAINTS BY MEMBERS
14 REGARDING FINAL ADVERSE DECISIONS BY A GOVERNING BODY OF A COMMON
15 OWNERSHIP COMMUNITY OR COMMON OWNERSHIP COMMUNITY MANAGER; AND

16 (II) CONDUCT HEARINGS ON AND ISSUE BINDING DECISIONS
17 REGARDING COMPLAINTS DESCRIBED IN ITEM (I) OF THIS ITEM;

18 (2) IMPOSE FINES AND FEES AS AUTHORIZED UNDER THIS SUBTITLE;

19 (3) MAINTAIN A REGISTRY OF GOVERNING DOCUMENTS; AND

20 (4) PROVIDE COMPLIANCE GUIDANCE AND EDUCATIONAL
21 MATERIALS.

22 (D) IN RESPONSE TO A COMPLAINT, THE DIVISION SHALL:

23 (1) REFER THE COMPLAINT TO AN APPROPRIATE LOCAL COMMISSION
24 FOR FURTHER REVIEW OF WHETHER THE FINAL ADVERSE DECISION CONFLICTS
25 WITH LAWS OR REGULATIONS GOVERNING COMMON OWNERSHIP COMMUNITIES IN
26 THE JURISDICTION; OR

27 (2) IF THE COUNTY DOES NOT HAVE A LOCAL COMMISSION, RESOLVE
28 THE COMPLAINT USING THE PROCEDURES DESCRIBED IN § 11C-204 OF THIS
29 SUBTITLE.

1 **(E) (1) IF THE DIVISION DETERMINES THAT A FINAL ADVERSE DECISION**
2 **CONFLICTS WITH LAWS OR REGULATIONS GOVERNING COMMON OWNERSHIP**
3 **COMMUNITIES, THE DIVISION SHALL PROMPTLY NOTIFY THE MEMBER, THE**
4 **GOVERNING BOARD, AND, IF APPLICABLE, THE COMMON OWNERSHIP COMMUNITY**
5 **MANAGER THAT THE ADVERSE DECISION CONFLICTS WITH LAWS OR REGULATIONS**
6 **GOVERNING COMMON OWNERSHIP COMMUNITIES.**

7 **(2) IF WITHIN 1 YEAR AFTER ISSUING A DETERMINATION THE**
8 **DIVISION RECEIVES A SUBSEQUENT COMPLAINT OF A FINAL ADVERSE DECISION**
9 **FOR THE SAME VIOLATION, THE DIVISION SHALL REFER THE MATTER TO THE**
10 **APPROPRIATE LOCAL COMMISSION, IF ANY.**

11 **(F) (1) ON OR BEFORE DECEMBER 1, 2028, AND EACH DECEMBER 1**
12 **THEREAFTER, THE DIVISION SHALL REPORT, IN ACCORDANCE WITH § 2-1257 OF**
13 **THE STATE GOVERNMENT ARTICLE, TO THE GENERAL ASSEMBLY ON THE**
14 **ACTIVITIES OF THE DIVISION DURING THE REPORTING PERIOD.**

15 **(2) THE REPORT REQUIRED UNDER PARAGRAPH (1) OF THIS**
16 **SUBSECTION SHALL INCLUDE:**

17 **(I) THE NUMBER OF COMPLAINTS RECEIVED BY THE DIVISION;**

18 **(II) THE TYPES OF ASSISTANCE REQUESTED;**

19 **(III) ACTIONS TAKEN BY THE DIVISION;**

20 **(IV) THE NUMBER OF REFERRALS MADE TO LOCAL**
21 **COMMISSIONS; AND**

22 **(V) DATA ON DISPOSITIONS AND OUTCOMES OF COMPLAINTS**
23 **RECEIVED.**

24 **11C-203.**

25 **(A) (1) A COMMON OWNERSHIP COMMUNITY LOCATED IN THE STATE**
26 **SHALL FILE WITH THE DIVISION A COPY OF THE GOVERNING DOCUMENTS, AND ANY**
27 **AMENDMENTS TO THE GOVERNING DOCUMENTS, OF THE COMMON OWNERSHIP**
28 **COMMUNITY.**

29 **(2) THE DIVISION SHALL DEVELOP AND MAINTAIN A DATABASE OF**
30 **GOVERNING DOCUMENTS FILED WITH THE DIVISION UNDER THIS SUBSECTION**
31 **ACCESSIBLE TO THE PUBLIC THROUGH THE DEPARTMENT'S WEBSITE.**

1 **(B) UNLESS THE COUNTY HAS A LOCAL COMMISSION, A COMMON**
2 **OWNERSHIP COMMUNITY IN THE STATE SHALL REGISTER THE COMMON OWNERSHIP**
3 **COMMUNITY WITH THE DIVISION AND RENEW THE REGISTRATION EACH**
4 **SUBSEQUENT YEAR.**

5 **(C) THE SECRETARY MAY ESTABLISH BY REGULATION:**

6 **(1) A COMPLAINT FILING FEE, NOT EXCEEDING \$100;**

7 **(2) AN ANNUAL REGISTRATION FEE THAT IS BASED ON THE NUMBER**
8 **OF UNITS OR LOTS IN THE COMMUNITY;**

9 **(3) AN INITIAL GOVERNMENT DOCUMENT FILING FEE, NOT**
10 **EXCEEDING \$100;**

11 **(4) A FEE FOR AN AMENDMENT TO A GOVERNMENT DOCUMENT**
12 **PREVIOUSLY FILED, NOT EXCEEDING \$25; AND**

13 **(5) A FINE FOR A FAILURE TO FILE GOVERNING DOCUMENTS AS**
14 **REQUIRED UNDER SUBSECTION (A) OF THIS SECTION, NOT EXCEEDING \$500.**

15 **(D) FOR FISCAL YEAR 2028, THE GOVERNOR SHALL INCLUDE IN THE**
16 **ANNUAL BUDGET BILL AN APPROPRIATION OF \$50,004 TO THE DEPARTMENT TO BE**
17 **USED FOR THE DEVELOPMENT OF THE DATABASE REQUIRED UNDER SUBSECTION**
18 **(A)(2) OF THIS SECTION.**

19 **11C-204.**

20 **(A) (1) THE DIVISION MAY HEAR ANY COMPLAINT FILED UNDER §**
21 **11C-202 OF THIS SUBTITLE.**

22 **(2) A PARTY MAY NOT FILE A COMPLAINT WITH THE DIVISION UNTIL:**

23 **(I) THE PARTY HAS MADE A GOOD FAITH EFFORT TO EXHAUST**
24 **ALL PROCEDURES AND REMEDIES PROVIDED BY THE GOVERNING DOCUMENTS OF**
25 **THE COMMON OWNERSHIP COMMUNITY; AND**

26 **(II) AT LEAST 60 DAYS AFTER ANY PROCEDURE OR REMEDY HAS**
27 **BEEN INITIATED WITH THE GOVERNING BODY OF A COMMON OWNERSHIP**
28 **COMMUNITY.**

29 **(3) (I) IF THE GOVERNING BODY OF A COMMON OWNERSHIP**
30 **COMMUNITY DETERMINES THAT A DISPUTE EXISTS, THE GOVERNING BODY OF THE**

1 COMMON OWNERSHIP COMMUNITY SHALL NOTIFY THE OTHER PARTIES OF THE
2 OPTION TO FILE THE DISPUTE WITH THE DIVISION.

3 (II) THE GOVERNING BODY OF A COMMON OWNERSHIP
4 COMMUNITY MAY NOT TAKE ACTION TO ENFORCE OR IMPLEMENT THE DECISION OF
5 THE GOVERNING BODY FOR 14 DAYS FOLLOWING NOTIFICATION OF ALL OTHER
6 PARTIES.

7 (4) EXCEPT AS PROVIDED IN SUBSECTION (B) OF THIS SECTION, ON
8 THE FILING OF A COMPLAINT WITH THE DIVISION, THE DECISION OF THE
9 GOVERNING BODY OF A COMMON OWNERSHIP COMMUNITY SHALL BE STAYED AND
10 MAY NOT BE ENFORCED OR IMPLEMENTED, OTHER THAN BY FILING A CIVIL ACTION,
11 UNTIL THE COMPLETION OF THE COMPLAINT PROCESS.

12 (B) (1) AT ANY TIME AFTER A COMPLAINT IS FILED, THE GOVERNING
13 BODY OF A COMMON OWNERSHIP COMMUNITY MAY SUBMIT A REQUEST TO LIFT AN
14 AUTOMATIC STAY UNDER SUBSECTION (A) OF THIS SECTION.

15 (2) IF A HEARING PANEL HAS NOT BEEN APPOINTED UNDER
16 SUBSECTION (E) OF THIS SECTION, THE DIVISION SHALL AUTHORIZE A SPECIAL
17 STANDING PANEL TO CONSIDER REQUESTS FOR RELIEF FROM STAYS.

18 (3) THE SPECIAL PANEL SHALL INCLUDE:

19 (I) AT LEAST ONE MEMBER WHO IS AN OWNER IN A COMMON
20 OWNERSHIP COMMUNITY; AND

21 (II) AT LEAST ONE MEMBER WHO REPRESENTS PROFESSIONS
22 ASSOCIATED WITH COMMON OWNERSHIP COMMUNITIES, INCLUDING INDIVIDUALS
23 INVOLVED IN HOUSING DEVELOPMENT OR REAL ESTATE SALES, DEVELOPERS, OR
24 ATTORNEYS WHO REPRESENT COMMON OWNERSHIP COMMUNITIES, OR IS A
25 LICENSED COMMON OWNERSHIP COMMUNITY MANAGER.

26 (4) (I) A GOVERNING BODY OF A COMMON OWNERSHIP
27 COMMUNITY THAT REQUESTS RELIEF FROM A STAY SHALL SERVE A COPY OF ITS
28 REQUEST ON ANY PARTY NAMED IN THE COMPLAINT BY CERTIFIED MAIL OR
29 PERSONAL SERVICE.

30 (II) A CERTIFICATE OF SERVICE SHALL ACCOMPANY ANY
31 REQUEST SUBMITTED UNDER THIS SUBSECTION.

32 (III) A PARTY SERVED WITH A COPY OF THE REQUEST SHALL
33 FILE ANY OPPOSITION TO THE REQUEST WITHIN 10 DAYS AFTER RECEIVING
34 SERVICE.

1 **(5) (I) EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF THIS**
2 **PARAGRAPH, A REQUEST FOR RELIEF FROM A STAY MAY BE GRANTED ONLY IF THE**
3 **ASSIGNED PANEL FINDS THAT:**

4 **1. ENFORCING THE STAY WOULD RESULT IN UNDUE**
5 **HARM TO THE COMMON OWNERSHIP COMMUNITY; AND**

6 **2. LIFTING THE STAY WILL NOT RESULT IN UNDUE HARM**
7 **TO THE RIGHTS OR INTERESTS OF ANY OPPOSING PARTY.**

8 **(II) IF A REQUEST FOR RELIEF FROM A STAY STATING FACTS**
9 **SUFFICIENT TO SHOW A NEED FOR IMMEDIATE ACTION IS NOT GRANTED OR DENIED**
10 **WITHIN 20 DAYS AFTER THE REQUEST WAS FILED, THE REQUEST SHALL BE DEEMED**
11 **GRANTED.**

12 **(C) (1) FOLLOWING THE FILING OF A COMPLAINT, THE DIVISION SHALL**
13 **INVESTIGATE FACTS AND ASSEMBLE DOCUMENTS RELEVANT TO THE COMPLAINT.**

14 **(2) THE DIVISION MAY NOTIFY A PARTY IF THE DESIGNATED AGENCY**
15 **OR OFFICE FINDS THAT A COMPLAINT WAS NOT PROPERLY FILED.**

16 **(3) THE DIVISION MAY NOTIFY EACH PARTY OF THE COMPLAINT**
17 **REGARDING POSSIBLE SANCTIONS UNDER SUBSECTION (E) OF THIS SECTION.**

18 **(4) AFTER AN INVESTIGATION UNDER THIS SECTION THE DIVISION**
19 **MAY:**

20 **(I) IF IT FINDS THAT THERE ARE NO REASONABLE GROUNDS TO**
21 **CONCLUDE THAT A VIOLATION OF APPLICABLE LAW OR ANY GOVERNING DOCUMENT**
22 **HAS OCCURRED, DISMISS THE COMPLAINT;**

23 **(II) REQUEST ADDITIONAL INVESTIGATION; OR**

24 **(III) SCHEDULE A HEARING ON THE COMPLAINT.**

25 **(5) THE DIVISION MAY RECONSIDER THE DISMISSAL OF A**
26 **COMPLAINT IF ANY PARTY FILES A MOTION TO RECONSIDER WITHIN 30 DAYS AFTER**
27 **THE COMPLAINT IS DISMISSED, DEMONSTRATING THAT:**

28 **(I) THE DIVISION ERRONEOUSLY INTERPRETED OR APPLIED**
29 **APPLICABLE LAW OR A GOVERNING DOCUMENT; OR**

1 (II) MATERIAL ISSUES OF FACT THAT ARE NECESSARY TO A FAIR
2 RESOLUTION OF THE COMPLAINT REMAIN UNRESOLVED.

3 (D) (1) ANY PARTY IN A COMPLAINT MAY REQUEST MEDIATION.

4 (2) IF A PARTY REQUESTS MEDIATION, THE DIVISION SHALL NOTIFY
5 ALL PARTIES OF THE REQUEST AND OF THE MEDIATION SESSION.

6 (3) THE DIVISION SHALL PROVIDE A QUALIFIED MEDIATOR TO MEET
7 WITH THE PARTIES WITHIN 30 DAYS AFTER A PARTY REQUESTS MEDIATION TO
8 ATTEMPT TO SETTLE THE COMPLAINT.

9 (4) IF A PARTY REFUSES TO ATTEND A MEDIATION SESSION, OR IF
10 MEDIATION DOES NOT SUCCESSFULLY RESOLVE THE COMPLAINT WITHIN 10 DAYS
11 AFTER THE FIRST MEDIATION SESSION IS HELD, THE DIVISION SHALL PROMPTLY
12 SCHEDULE A HEARING.

13 (E) (1) (I) IF A HEARING IS SCHEDULED, THE SECRETARY SHALL
14 CONVENE A PANEL TO HEAR THE COMPLAINT.

15 (II) THE SECRETARY SHALL SELECT AT LEAST ONE MEMBER
16 DESCRIBED UNDER SUBSECTION (B)(3)(I) OF THIS SECTION AND AT LEAST ONE
17 MEMBER DESCRIBED UNDER SUBSECTION (B)(3)(II) OF THIS SECTION.

18 (III) THE MEMBERS SELECTED BY THE SECRETARY SHALL
19 DESIGNATE A THIRD MEMBER OF THE PANEL FROM A LIST OF VOLUNTEER
20 ARBITRATORS TRAINED OR EXPERIENCED IN COMMON OWNERSHIP COMMUNITY
21 ISSUES MAINTAINED BY THE DIVISION.

22 (2) A PANELIST MAY NOT HAVE AN INTEREST IN THE COMPLAINT TO
23 BE HEARD.

24 (3) A HEARING PANEL SHALL HOLD A HEARING ON EACH COMPLAINT
25 THAT IS NOT RESOLVED THROUGH MEDIATION UNDER SUBSECTION (D) OF THIS
26 SECTION UNLESS THE DIVISION DETERMINES THAT THE COMPLAINT IS:

27 (I) IDENTICAL TO ANOTHER COMPLAINT BETWEEN THE SAME
28 PARTIES ON WHICH A HEARING HAS ALREADY BEEN HELD UNDER THIS SECTION; OR

29 (II) CLEARLY NOT WITHIN THE JURISDICTION OF THE
30 DIVISION.

31 (4) THE DIVISION SHALL PROVIDE NOTICE OF A HEARING TO ALL
32 PARTIES NOT LESS THAN 30 DAYS BEFORE THE HEARING, UNLESS THE DIVISION

1 DETERMINES THAT AN EXPEDITED HEARING IS NECESSARY, IN WHICH CASE NOTICE
2 SHALL BE PROVIDED TO ALL PARTIES AT LEAST 15 DAYS BEFORE THE HEARING.

3 (5) A PARTY OR WITNESS MAY BE ADVISED BY COUNSEL AT A
4 HEARING.

5 (6) IF A PARTY, AFTER PROPER NOTICE, DOES NOT APPEAR AT A
6 SCHEDULED HEARING, THE HEARING PANEL MAY ORDER ANY RELIEF FOR ANOTHER
7 PARTY THAT THE FACTS ON RECORD WARRANT.

8 (7) (I) THE HEARING PANEL SHALL APPLY STATE AND COUNTY
9 LAWS AND ALL RELEVANT CASE LAW TO THE FACTS OF THE COMPLAINT.

10 (II) A DECISION OF THE HEARING PANEL IS BINDING ON THE
11 PARTIES.

12 (8) (I) THE DIVISION MAY ENFORCE A DECISION OF THE HEARING
13 PANEL BY APPROPRIATE LEGAL ACTION.

14 (II) IN ADDITION TO ANY OTHER ENFORCEMENT ACTION, THE
15 DIVISION MAY:

16 1. FILE FOR INJUNCTIVE RELIEF TO ENFORCE OR
17 CORRECT ANY VIOLATION OF THIS SUBTITLE; AND

18 2. FILE TO RECOVER DAMAGES FOR A LOSS SUSTAINED
19 AS A RESULT OF A VIOLATION OF THIS SUBTITLE.

20 (9) A HEARING PANEL MAY AWARD COSTS, INCLUDING REASONABLE
21 ATTORNEY'S FEES, TO ANY PARTY IF ANY OTHER PARTY:

22 (I) FILED OR MAINTAINED A FRIVOLOUS COMPLAINT, OR FILED
23 OR MAINTAINED A COMPLAINT IN BAD FAITH;

24 (II) REFUSED TO PARTICIPATE IN MEDIATION OF A COMPLAINT;
25 OR

26 (III) SUBSTANTIALLY DELAYED OR HINDERED THE COMPLAINT
27 RESOLUTION PROCESS WITHOUT GOOD CAUSE.

28 (10) A HEARING PANEL MAY REQUIRE A LOSING PARTY IN A
29 COMPLAINT TO PAY ALL OR PART OF ANY FILING FEE.

30 (11) THE DIVISION MAY:

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

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

4 **(F) (1) A PARTY MAY APPEAL A DECISION OF A HEARING PANEL TO A**
5 **COURT OF COMPETENT JURISDICTION.**

6 **(2) AN APPEAL OF A DECISION SHALL BE CONSOLIDATED WITH ANY**
7 **CASE THAT ARISES OUT OF THE SAME FACTS.**

8 **(3) THE COURT HEARING AN APPEAL SHALL SUSTAIN THE DECISION**
9 **OF THE HEARING PANEL UNLESS THE DECISION IS:**

10 **(I) INCONSISTENT WITH APPLICABLE LAW;**

11 **(II) LACKING SUBSTANTIAL EVIDENCE; OR**

12 **(III) ARBITRARY AND CAPRICIOUS.**

13 **(G) (1) A PARTY MAY FILE A CIVIL ACTION ARISING OUT OF A GOVERNING**
14 **DOCUMENT OR A LAW REGULATING THE POWERS OF A GOVERNING BODY OF A**
15 **COMMON OWNERSHIP COMMUNITY.**

16 **(2) IF THE COURT IS NOTIFIED THAT A COMPLAINT HAS BEEN FILED**
17 **WITH THE DIVISION IN ACCORDANCE WITH THIS SUBTITLE, THE COURT MAY**
18 **POSTPONE A PROCEEDING FOR AT LEAST 90 DAYS.**

19 **(3) THE COURT MAY HEAR THE ACTION DE NOVO IF A HEARING PANEL**
20 **ASSIGNED TO THE COMPLAINT HAS NOT ISSUED A DECISION UNDER SUBSECTION (E)**
21 **OF THIS SECTION.**

22 **11C-205.**

23 **(A) (1) THE CREATION OF THE DIVISION DOES NOT OVERRIDE, PREEMPT,**
24 **OR DIMINISH THE AUTHORITY OF ANY EXISTING COMMISSION ON COMMON**
25 **OWNERSHIP COMMUNITIES ESTABLISHED BY A COUNTY OR LOCAL MUNICIPALITY.**

26 **(2) A COUNTY OR LOCAL MUNICIPALITY MAY ESTABLISH, MAINTAIN,**
27 **OR EXPAND ITS OWN COMMISSION OR OVERSIGHT BODY CONSISTENT WITH LOCAL**
28 **LAW AND SUBTITLE 1 OF THIS TITLE.**

1 **(B) THIS SUBTITLE MAY NOT BE CONSTRUED TO PROHIBIT A LOCAL**
2 **JURISDICTION FROM ADOPTING SUPPLEMENTAL GOVERNANCE STRUCTURES OR**
3 **DISPUTE RESOLUTION PROGRAMS FOR COMMON OWNERSHIP COMMUNITIES.**

4 **11C-206.**

5 **(A) IN THIS SECTION, "FUND" MEANS THE COMMON OWNERSHIP**
6 **COMMUNITY OVERSIGHT FUND.**

7 **(B) THERE IS A COMMON OWNERSHIP COMMUNITY OVERSIGHT FUND.**

8 **(C) THE PURPOSE OF THE FUND IS TO PROVIDE FUNDING TO THE COMMON**
9 **OWNERSHIP COMMUNITY OVERSIGHT DIVISION IN THE DEPARTMENT OF HOUSING**
10 **AND COMMUNITY DEVELOPMENT.**

11 **(D) THE SECRETARY SHALL ADMINISTER THE FUND.**

12 **(E) (1) THE FUND IS A SPECIAL, NONLAPSING FUND THAT IS NOT**
13 **SUBJECT TO § 7-302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.**

14 **(2) THE STATE TREASURER SHALL HOLD THE FUND SEPARATELY,**
15 **AND THE COMPTROLLER SHALL ACCOUNT FOR THE FUND.**

16 **(F) THE FUND CONSISTS OF:**

17 **(1) THE FOLLOWING FEES COLLECTED UNDER § 11C-203 OF THIS**
18 **SUBTITLE:**

19 **(I) COMPLAINT FILING FEES;**

20 **(II) ANNUAL COMMON OWNERSHIP REGISTRATION FEES; AND**

21 **(III) GOVERNMENT DOCUMENT FILING FEES;**

22 **(2) FINES ASSESSED UNDER THIS SUBTITLE;**

23 **(3) INTEREST EARNINGS OF THE FUND; AND**

24 **(4) ANY OTHER MONEY FROM ANY OTHER SOURCE ACCEPTED FOR**
25 **THE BENEFIT OF THE FUND.**

26 **(G) (1) THE STATE TREASURER SHALL INVEST THE MONEY OF THE FUND**
27 **IN THE SAME MANNER AS OTHER STATE MONEY MAY BE INVESTED.**

1 **(2) ANY INTEREST EARNINGS OF THE FUND SHALL BE CREDITED TO**
2 **THE FUND.**

3 **Article – State Finance and Procurement**

4 6–226.

5 (a) (1) Except as otherwise specifically provided by law or by regulation of the
6 Treasurer, the Treasurer shall credit to the General Fund any interest on or other income
7 from State money that the Treasurer invests.

8 (2) (i) This paragraph does not apply in fiscal years 2024 through 2028.

9 (ii) Notwithstanding any other provision of law, and unless
10 inconsistent with a federal law, grant agreement, or other federal requirement or with the
11 terms of a gift or settlement agreement, net interest on all State money allocated by the
12 State Treasurer under this section to special funds or accounts, and otherwise entitled to
13 receive interest earnings, as accounted for by the Comptroller, shall accrue to the General
14 Fund of the State.

15 (iii) The provisions of subparagraph (ii) of this paragraph do not
16 apply to the following funds:

17 212. the Department of Social and Economic Mobility Special
18 Fund; [and]

19 213. the Population Health Improvement Fund; AND

20 214. **THE COMMON OWNERSHIP COMMUNITY OVERSIGHT**
21 **FUND.**

22 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect ~~July~~
23 October 1, 2026.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.