

HB0444 Overview

Topic Covered	Justification for Inclusion in HOA Act	Section in Condo Act (for reference)	Location of Change in HOA Act
Resale Package Fees	There is no reason for one type of common ownership community to recapture their fees at the rate of \$100, and another to be capped at \$50. The rate of \$100 was achieved by examining the cost of labor and production of materials that goes into each resale package, and should be allowed by HOAs.	11-135 (c)	11B - 106
Powers of Council of Unit Owners	It should be clear what the roles and responsibilities are of the board of directors. This will clarify issues as they may present themselves later, specifically in regards to contracts, maintenance of property/systems, etc. Without this clarity an association is assuming roles and responsibilities that can be questioned or misconstrued.	§ 11-109	New section 11B-106.2 and 11B-106.3
Meetings of homeowners association, Condo Council unit owners, and closed board meetings	It is important that all members have the opportunity to participate in the governance of their association. This is partially done through notification and clarity of expectations during the meeting process. This section adds language in to ensure notification of annual meetings, clarifies a lot owners obligation to ensure the association has up-to-date contact information for them, and what constitutes a quorum. Additionally, this brings HOAs into the 21st century by allowing notification through electronic transmission (a right already afforded in The Condominium Act).	§ 11-109, 11-109.1 and 11-139	11B-106.4, 11B-111
Rules and regulations of HOA (adoption of and amendments to rules and/or regulations)	The additions proposed provide guidance for an HOA to clarify the process for amending, or adopting, rules and regulations. Additionally, it provides clear guidelines for the use of proxies in voting. This is critical as the majority of disputes arise around the governance and implementation of rules and regulations.	§ 11-111	New Section 11B-111.8

HB0444 Overview

Topic Covered	Justification for Inclusion in HOA Act	Section in Condo Act (for reference)	Location of Change in HOA Act
Property lying in two counties. If any property lying partly in one county and partly in any other county is subjected to a "condominium regime", the declaration, bylaws, and condominium plat shall be recorded in all counties where any portion of the property is located.	In the case when a civil action may be introduced in the courts, it is critical that the declaration and by-laws should be included in the court depository. In the case where an HOA straddles two counties, they are currently not responsible for ensuring that the documents are properly filed with both jurisdictions. For proper administration of the law, filing in both counties should be required. This is occurring on the Prince George's and Montgomery Counties borders, and Montgomery and Frederick Counties borders (that we are aware of).	§ 11-102 (b)	11B-112
Annual Charge & Acceleration	Currently, The Condominium Act has an acceleration clause. This allows, upon a delinquency, for the association to accelerate the remaining dues owed that year. This is very important in the case of an owner that is delinquent, and where the association has been unable to work with the owner on a payment plan. This allows them to file a lien and/or take the case to court once, instead of having to file repeatedly throughout the year - the legal costs of which are borne by the remaining owners.	§ 11-110	11B-112.1
Deemed Consent of Mortgages	Currently, in a condominium community when a vote is being taken that requires the approval of the mortgage holder, the association is able to notify the holder, and rely on deemed consent. Given the number of foreclosures still active in Maryland, this can make the difference between leaving an association stuck or allowing them to move forward. This is a right that should be extended to any common ownership community.	11-104(e)(3)	11B-116