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**STATE OF MARYLAND**  
**OFFICE OF THE ATTORNEY GENERAL**  
**CONSUMER PROTECTION DIVISION**

February 11, 2020

Writer's Direct Dial No.

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To: The Honorable Kumar Barve  
Chair, Environment and Transportation Committee

From: Karen S. Straughn  
Consumer Protection Division

Re: House Bill 444 – Homeowners Associations – Powers, Boards of Directors, Voting,  
Meetings, and Rules (SUPPORT WITH AMENDMENTS)

The Consumer Protection Division of the Office of the Attorney General submits the following written testimony in support of House Bill 444 submitted by Delegate Bonnie Cullison with amendments. The bill, as written, adds a number of provisions found in the Maryland Condominium Act into the Maryland Homeowners Act to provide similar protections to those living in homeowners associations. Specifically, the bill enumerates the powers of the association, and establishes time frames by which notices of meetings must be sent before a meeting can be held. In addition, the bill establishes quorum requirements for meetings as well as a number of standards that must be met for elections. The bill also details the process for transfer of control from the developer to the association and the manner by which rules may be adopted by the association. The Consumer Protection Division supports each of these provisions, however, we do not support the provisions of the bill beginning at page 13, line 15 and continuing through line 25 and would amend the bill to remove these provisions.

Specifically, the bill provides a process by which a homeowners association may escalate all remaining installments for the year if a lot owner is 15 days late in paying one of his or her installment payments, creating a lien on the lot. While this process is permissible under the Maryland Condominium Act, it is not in a consumer's best interest to permit escalation of upcoming installments merely because the homeowner or lot owner has missed a payment. More importantly, there may be many reasons why an individual is late in making an installment payment and increasing the financial penalty may exacerbate the problem without any expectation of increasing the ability of the individual to make the payment.

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For these reasons, we ask that the Environment and Transportation Committee return a favorable report on this bill with the amendment discussed above.

cc: The Honorable Bonnie Cullison  
Members, Environment and Transportation Committee