

February 25, 2020

The Honorable Kumar Barve  
Chairman, House Environment and Transportation Committee  
House Office Building, Room 251  
6 Bladen Street  
Annapolis, MD 21401

**RE: Support of House Bill 1053 (Real Property - Condominiums and Homeowners Associations - Governing Bodies) with Amendment**

Dear Chairman Barve:

The Maryland Building Industry Association (MBIA), representing 100,000 employees of the building industry across the State of Maryland, opposes House Bill 1053 (Real Property - Condominiums and Homeowners Associations - Governing Bodies).

In concept, we do not disagree with much of the content of this bill. However, there needs to be some clarifying language specifically with regards to sections of the bill that calls for “25% of the currently subdivided units in the condominium”. We also have concerns with the language that is throughout the bill that deals with “and accounts”. We would request that be replaced with “record of accounts”. We believe that this is more accurate and allows for some flexibility.

Additionally, we have significant concerns with the language regarding bonding (page 6, section IV). Bonds are issued by the agency and the Association has no claim on the bond. Any decision that is made on bonds is done by the issuing agency. Transferring such a significant amount of authority and private bond information before the community is fully established is premature, and could be harmful for the developer and the community itself. A developer must maintain authority over the community while construction finishes and sales are underway. A council of unit owners or a governing body for a homeowners association would not have the requisite experience to administrate these complex aspects of condominium business.

For these reasons, MBIA looks forward to working with the sponsor of the bill to clarify the intent and support the bill.

For more information about this position, please contact Lori Graf at 410-800-7327 or [lgraf@marylandbuilders.org](mailto:lgraf@marylandbuilders.org).

cc: House Environment and Transportation Committee Members