

KATIE FRY HESTER
Legislative District 9
Carroll and Howard Counties

Education, Health, and
Environmental Affairs Committee

Chair, Joint Committee on
Cybersecurity, Information Technology
and Biotechnology



Annapolis Office
James Senate Office Building
11 Bladen Street, Room 304
Annapolis, Maryland 21401
410-841-3671 • 301-858-3671
800-492-7122 Ext. 3671
KatieFry.Hester@senate.state.md.us

THE SENATE OF MARYLAND
ANNAPOLIS, MARYLAND 21401

February 12, 2020

Maryland General Assembly Senate Judicial Proceedings Committee

Re: SB 471 Condominiums – Disclosures to Unit Owners and Prohibited Provisions in Instruments by Developers (Sunset Island Act)

Position: Favorable with amendments

Good afternoon, Chairman Smith, Vice Chairman Waldstreicher and members of the Judicial Proceedings committee:

Thank you for the opportunity to provide testimony on Senate Bill 431, which pertains to condominium law and seeks to protect the legal rights of unit owners.

This bill is very simple. If passed, this bill will prevent a condominium board from waiving the legal rights of the unit owners without their knowledge.

The bill is offered to prevent the situation many of you have heard about from your constituents across the state who own condominiums in the Sunset Island development, a 198 unit condominium complex on the bayside at 67th street in Ocean City.

You will hear from the Vice President of the condominium association and unit owners today via written and oral testimony about what happened there, and why it is imperative that legislators pass this bill to prevent the situation from happening again somewhere else.

There are three amendments to the bill which we have provided to you. The first two amendments were requested by the Community Associations Institute and the Maryland Legislative Action Committee.

- The first specifies that the restrictions contained in the bill apply to vendors and developers to allow for such things as personnel matters which are routinely handled by boards without member involvement.
- The second is to extend the new provisions to lot owners, not just unit owners.

- The third amendment suggested by the Attorney General's office, would replace "Board of Directors" with the specific legal term "Council of Unit Owners" in the bill.

I'm pleased to present a letter of support for HB30, the cross file of SB431, from United States Senator Christopher Van Hollen. Senator Van Hollen has expressed his concerns about home construction warranties and non-disclosure agreements directly to NVR, Inc. I have also attached his November 6, 2019 letter to Mr. Paul Saville, President and CEO of NVR, Inc. also signed by Senators Brown, Blumenthal and Cardin.

To provide further background on this matter, I have also attached two articles from this fall published in the Salisbury Daily Times, detailing problems at Sunset Island.

Our panel consists of:

- Mary Meloni, Vice President of Council of Unit Owners of Garden Condominium II;
- Cynthia Ardinger, a unit owner of 6 Hidden Cove Way in Ocean City;
- Kathleen Elmore representing the Maryland Legislative Action Committee of the Community Associations Institute;
- Karen Straughn Assistant Attorney General Director, Mediation Unit, Consumer Protection Division

Thank you for your attention to this matter. I am happy to answer any questions or provide additional information.

Sincerely,



Senator Katie Fry Hester
Howard and Carroll Counties