

March 11, 2020

The Honorable William C. Smith, Jr.
Chairman, Judicial Proceedings Committee
Miller Senate Office Building, 2E
11 Bladen Street
Annapolis, MD 21401

RE: Support of Senate Bill 652 (Real Property - Condominiums and Homeowners Associations - Governing Bodies) with Amendment

Dear Chairman Smith:

The Maryland Building Industry Association (MBIA), representing 100,000 employees of the building industry across the State of Maryland, opposes Senate Bill 652 (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. Only the named Obligee (the jurisdiction) has a right of claim against the bond. A surety bond is not an insurance policy. We believe that this language needs to be stricken from the bil..

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.

cc: Senate Judicial Proceedings Committee Members