

Maryland Legislative Action Committee The Legislative Voice of Maryland Community Association Homeowners

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March 9, 2020

Senator William C. Smith, Jr., Chairman Judicial Proceedings Committee 2 East Miller Senate Office Building Annapolis, MD 21401

Re: SB 652 Real Property – Condominiums and Homeowners Associations – Governing Bodies

Hearing: March 11, 2020 Position: SUPPORT WITH AMENDMENTS

Dear Chairman Smith and Committee Members:

This letter is submitted on behalf of the Maryland Legislative Action Committee ("MD-LAC") of the Community Associations Institute ("CAI"). CAI MD-LAC represents individuals and professionals who reside in or work with condominiums, homeowners' associations and cooperatives throughout the State of Maryland.

MD-LAC is writing today to voice our support for SB 652. The bill requires that meetings of a board or council/association be held at least twice per year and mandates that at least one unit or lot owner who is not affiliated with the developer be appointed to serve once 25% of the units or lots are conveyed to members of the public. This will assure more open governing of condominiums and homeowners' associations that are still under developer control.

We perceive an issue with the use of the word "governing body". Under the Condominium Act Section 11-101(i) "Governing body" means the council of unit owners, board of directors, or any committee of the council of unit owners or board of directors." As governing body is used throughout the bill, it is unclear what is meant by use of the term. For example, on page 3, line 5 of the bill "THE GOVERNING BODY SHALL CONVENE AT LEAST TWO MEETINGS A

YEAR." Which governing body, the board, the council or may a committee simply meet twice a year and satisfy this provision?

We suggest the words "governing body" be changed to "board of directors" in the following locations:

- Page 3, line 5
- Page 10, line 7
- Page 10, line 9
- Page 12, line 17
- Page 12, line 24

We respectfully request that the Committee give SB682 a favorable report with the amendments suggested. We are available to answer any questions which you may have. Please feel free to contact any of the individuals listed: Lisa Harris Jones, CAI MD-LAC lobbyist, at 410-366-1500 or by email at lisa.jones@mdlobbyist.com; or Ruth Katz, Esquire MD-LAC for CAI at 301-657-0188, or by email at rokatz@lerchearly.com; or Kathleen Elmore, Esquire, Ass't Treas. MD-LAC for CAI at 410-544-6644 or by email at kelmore@elmore-throop.com; or Steven Randol, Chair 410-695-2183, or srandol@pineyorchard.com

Sincerely,

Ruth O. Katz

Ruth Katz, Esquire MD-LAC for CAI MD-LAC for CAI Steven Randol

Steven Randol Chairman MD-LAC for CAI

Kathleen M. Elmore

Kathleen M. Elmore, Esquire Ass't Treasurer, MD-LAC for CAI

cc: Senator Ronald N. Young, Sponsor

CAI is a national organization dedicated to fostering vibrant, competent, harmonious community associations for more than thirty years. Its members include community association volunteer leaders, professional managers, community management firms, and other professionals and companies that provide products and services to common interest associations. As part of its mission, CAI advocates for legislative and regulatory policies that support responsible governance and effective management. As part of this purpose state Legislative Action Committees represent CAI members before state legislatures and agencies on issues such as governance, assessments collection, insurance and construction defects.