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March 18, 2021

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Senator William C. Smith, Jr., Chair  
Senator Jeff Waldstreicher, Vice Chair  
Judicial Proceedings Committee  
Miller Senate Office Building  
Annapolis, Maryland 21401

**Re: HB 826**  
**Real Property – Condominiums and Homeowners Associations – Dispute Settlement**  
**Position: SUPPORT**  
**Hearing Date: March 23, 2021**

Dear Chairman Smith, Vice Chair Waldstreicher, and Committee Members:

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

MD-LAC supports HB 826. The bill remedies certain issues with regard to the dispute settlement procedures provided for in Section 11-113 of the Condominium Act and provides for a new Section 11B-111.8 in the Homeowners Association Act to address dispute settlement procedures in Homeowners Associations. Currently there is no dispute settlement procedure in the Homeowners Association Act at all. This bill will remedy that oversight.

Currently, unless the declaration or bylaws of a Condominium Association provides otherwise, the dispute settlement mechanism provided in the State law controls the process by which complaints or demands are handled by the governing body of the Association. The current Condominium law also provides that the governing body may not impose a fine, suspend voting, or infringe upon any other rights of an owner or other occupant for violations of rules until the dispute settlement procedure is followed. A written demand to cease and desist must be served upon the alleged violator, stating the alleged violation, the action required to abate the violation, and that if the rule is violated again (after a grace period of not less than 10 days), sanctions may be imposed after a hearing.

HB 826 relaxes the procedure in that it does not require hearing unless the alleged violator requests one. The change will require that an alleged violator be provided with the notice of the alleged violation, what is required to abate that alleged violation and the sanction that may be imposed, but rather than making the hearing mandatory whether the alleged violator wants a hearing or not, the change provides for an opportunity for a hearing before the governing body, upon request.

Once requested, the bill requires that the hearing be held upon not less than 10 days' additional notice. In the vast majority of cases where a hearing is required without request, notice of the hearing is given, the volunteer governing body is assembled but the alleged violator does not attend thereby wasting the time and money of the volunteer Board and non-profit Association. The bill provides that if no hearing is requested, then the governing body is to deliberate at its next meeting as to whether the violation occurred and what sanction, if any, it will impose.

We are available to answer any questions the Committee Members may have. Please feel free to contact Lisa Harris Jones, lobbyist for the MD-LAC, at 410-366-1500, or by e-mail at [lisa.jones@mdlobbyist.com](mailto:lisa.jones@mdlobbyist.com), or Steven Randol, Chair of the MD-LAC, 410-279-8054, or by e-mail at [srandol@pineorchard.com](mailto:srandol@pineorchard.com), or Kathleen Elmore, Assistant Treasurer, of the MD-LAC, at 410-320-6367, or by e-mail at [kemore@elmore-throop.com](mailto:kemore@elmore-throop.com).

Sincerely,

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Kathleen Elmore, Esquire  
Ass't Treas., CAI MD-LAC

*Steven Randol*  
Steven Randol  
Chair, CAI MD-LAC