

**BRIAN E. FROSH**  
*Attorney General*

**ELIZABETH F. HARRIS**  
*Chief Deputy Attorney General*

**CAROLYN QUATTROCKI**  
*Deputy Attorney General*



**WILLIAM D. GRUHN**  
*Chief*  
Consumer Protection Division

Writer's Fax No.

**STATE OF MARYLAND**  
**OFFICE OF THE ATTORNEY GENERAL**  
**CONSUMER PROTECTION DIVISION**

Writer's Direct Dial No.

410-576-7942  
kstraughn@oag.state.md.us  
Fax: 410-576-7040

January 13, 2022

To: The Honorable Kumar Barve  
Chair, Environment and Transportation Committee

From: Karen S. Straughn  
Consumer Protection Division

Re: House Bill 40 – Condominiums – Disclosures to Unit Owners and Prohibited Provisions  
in Instruments by Developers (SUPPORT)-

---

The Consumer Protection Division of the Office of the Attorney General submits the following written testimony in support of House Bill 40 submitted by Delegates Courtney Watson, Heather Bagnall and Jen Terrasa. This bill would require the board of directors of a condominium association to disclose agreements, other than agreements related to personnel matters, to unit owners and prospective unit owners, and to prevent the governing body from entering into agreements that prohibit the disclosure of any terms of the agreement to settle a disputed claim.

A condominium purchaser is not only responsible for the maintenance of their own unit, but is financially committed to the maintenance of the common elements of the condominium as well. To make a reasoned decision, it is important that the purchaser be made aware of any lawsuits or settlements that could impact their ownership interest. To ensure that the purchase of a condominium unit is fair and that relevant information is disclosed, governing documents and other relevant documents are statutorily required to be provided to the purchaser by the seller. The board of directors should not be permitted to enter into agreements that withhold important information which could materially alter this information without the knowledge of the owner of the property. This bill ensures that the board of directors discloses to unit owners and prospective purchasers relevant information contained in a settlement agreement or an order of a court which may impact their ownership interest.

For these reasons, we ask that the Environment and Transportation Committee return a favorable report on this bill.