



January 18, 2022

The Honorable Kumar P. Barve, Chair  
Environment and Transportation Committee  
House Office Building, Room 251  
Annapolis, Maryland 21401

Dear Chair Barve and Members of the Committee:

On behalf of Associa and our hundreds of Maryland-based employees, I am writing to respectfully oppose **HB 26, the Regulation of Common Ownership Community Managers**.

The legislation seeks to create a costly new state regulatory board to license managers of community associations. The effect of this would be to raise housing costs for the 1,000,000+ Marylanders who live in an association of one form or the other.<sup>1</sup> At this moment, as housing insecurity spreads, the last thing we should be doing is finding ways to make it harder for people to stay in their homes or to find housing in the first place.

Simply put, HB 26 represents a solution in search of a problem. Beyond the costs to consumers, there are no benefits that would be seen if it becomes law, which is exactly why only 8 states currently regulate community association managers. Colorado recently took the steps to repeal its licensing requirements. Similarly, in Virginia, a 2018 report from the Joint Legislative Audit and Review Commission found that “Community managers...pose little risk to the public if left unregulated.”<sup>2</sup> The report went on to recommend repealing the licensure requirements for community association managers. Maryland has the chance to avoid this burdensome mistake and should follow suit in rejecting the new regulatory scheme.

On the national level, the Obama administration found that the data does not support the claim that occupational licensure improves the services of the regulated profession. It also concluded that public health and safety were not improved by licensure, the main argument used to justify legislation like this.<sup>3</sup>

Associa has been working in the community association management space in Maryland for over 3 decades, managing nearly 85,000 units in more than 200 communities across the state. The market here is vibrant and the last thing we should be doing, especially at this precarious moment, is enacting barriers that will raise housing costs for the state’s 1+ million association residents. Given all of this, **we respectfully ask that you oppose HB 26 and issue an unfavorable report.**

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<sup>1</sup> Community Associations Institute 2020-2021 U.S. National and State Statistical Review.

[https://foundation.caionline.org/wp-content/uploads/2021/07/2021StatsReview\\_Web.pdf](https://foundation.caionline.org/wp-content/uploads/2021/07/2021StatsReview_Web.pdf)

<sup>2</sup> Report to the Governor and General Assembly: Operations and Performance of the Department of Professional and Occupational Regulation. 2018. <http://jlarc.virginia.gov/pdfs/reports/Rpt509.pdf>

<sup>3</sup> *Occupational Licensing: A Framework for Policymakers*. The White House (prepared by the Department of the Treasury Office of Economic Policy, the Council of Economic Advisors, and the Department of Labor). July 2015. [https://obamawhitehouse.archives.gov/sites/default/files/docs/licensing\\_report\\_final\\_nonembargo.pdf](https://obamawhitehouse.archives.gov/sites/default/files/docs/licensing_report_final_nonembargo.pdf)

5401 North Central Expressway, Suite 290 | Dallas, TX 75205 | 214-272-4078

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