

STATEMENT OF THE COLUMBIA ASSOCIATION ON HOUSE BILL 1060

The Columbia Association, Inc. (“CA”) is a Maryland non-profit membership corporation that operates recreational facilities and manages open space in the city of Columbia, Maryland in Howard County. CA has been conducting operations successfully for more than fifty years. Accordingly, it has a well-established organizational structure and fully developed processes and procedures to ensure that the more than 100,000 residents of Columbia can enjoy the benefits contemplated by the Declaration and other governing documents of the organization.

CA is unique—its size, scope and structure distinguish it from the typical much smaller HOA. Nevertheless, the Maryland Homeowners Association Act (“HOAA”), which imposes various requirements on HOAs, is written broadly enough to cover both CA and the various Community Associations for the Villages within Columbia that are affiliated with CA. When amendments to the HOAA are proposed, they sometimes suggest changes that are inconsistent with CA’s organizational structure or governing documents, and they may propose procedures that are unnecessarily duplicative of procedures that CA already has followed for many years. House Bill 1060 is such a bill.

Though undoubtedly well intentioned and possibly helpful if applied in the case of some typical HOAs, the provisions of HB 1060 would create numerous inconsistencies and unintended consequences if applied to CA. Just by way of example:

- Section 1-105(B)(1) provides that a residential owner of an HOA has the right to be designated as a “member” of the HOA. Due to the organizational nature of CA under Maryland corporate law, the only “members” of the Association are the persons on its Board of Directors, which obviously cannot be expanded to include tens of thousands of lot owners.
- Other provisions of Section 1-105(B) deal with financial matters (*e.g.*, subsection (4) relating to the costs of facilities and services and subsection (6) relating to the repayment of debt incurred for major capital projects or operating expenses). Such matters are governed by documents and procedures that have been in place for decades, which would be seriously and needlessly disrupted by the proposed provisions.
- Section 1-105(B)(14)(II) would give lot owners the right to vote on any changes to existing governing documents and policies. The processes and requirements for amending CA’s governing documents, such as its Charter and Bylaws, are already clearly set forth in the documents.

For these reasons we respectfully ask that the following amendment be made to House Bill 1060:

AMENDMENT TO HOUSE BILL 1060

(First Reader File Bill)

Insert on page 6 after line 11

(D) THIS SECTION DOES NOT APPLY TO THE COLUMBIA ASSOCIATION OR THE VILLAGE COMMUNITY ASSOCIATIONS FOR THE VILLAGES OF COLUMBIA IN HOWARD COUNTY.

Respectfully submitted,

Paul A. Tiburzi

410-580-4273

paul.tiburzi@us.dlapiper.com

Counsel for the Columbia Association