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**OFFICE OF THE ATTORNEY GENERAL**  
**CONSUMER COUNCIL**

January 18, 2021

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

From: Armstead Jones, Chair  
Consumer Council of Maryland

Re: House Bill 26 – Real Property – Regulation of Common Ownership Community Managers  
(SUPPORT)

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The Consumer Council of Maryland supports House Bill 26, sponsored by Delegate Marvin E. Holmes, Jr., which would provide for the registration, licensing and regulation of common ownership community property managers. The Consumer Council is an advisory body to the Consumer Protection Division in the Office of the Attorney General with members representing businesses, consumers and the public who are appointed by the Governor.

Many common ownership communities are run by volunteer boards of directors with little or no experience running a business. Often, they rely upon property management companies to assist them in complying with the laws governing the associations and in collecting and using association funds in a fiscally responsible manner. As a result, it is important to ensure the education, knowledge, and integrity of the property managers providing these services meet certain minimum standards. By imposing requirements for education and licensing of property managers, the General Assembly would protect thousands of citizens who reside in these communities and help to ensure that these communities are financially sustainable.

The Consumer Protection Division has reported to the Consumer Council that there have been property management companies that have taken large sums of money from the communities they manage. Many have heard the horror stories of Legacy Management and the devastating impact its unscrupulous acts had on the communities it managed. As recently as July of 2019, the Consumer Protection Division settled with another property management company that misappropriated over \$2 million dollars from homeowners and condominium associations, affecting over 1,500 individuals. The damage that may be caused by unscrupulous or uneducated property managers clearly outweighs the costs to implement the procedures to register, license and regulate these entities.

For these reasons, the Consumer Council asks that the Environment and Transportation Committee return a favorable report on House Bill 26.

cc: The Honorable Marvin E. Holmes, Jr.

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