

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
Fax: 410-576-7040

March 1, 2022

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

From: Karen S. Straughn
Consumer Protection Division

Re: House Bill 1060 – Residential Owners in Common Ownership Communities Bill of Rights (LETTER OF CONCERN)

The Consumer Protection Division of the Office of the Attorney General has concerns regarding House Bill 1060 introduced by Delegate Marvin Holmes. This bill creates a bill of rights for members of a common ownership community. While this office supports a bill of rights for consumers, this bill also provides a mechanism by which the Office of the Attorney General would take direct enforcement actions on behalf of an association member. This office supports the ability of an association member to file a complaint with the Consumer Protection Division when their rights have been compromised, rather than the right to have the Division file a direct action on behalf of an individual residential owner.

The Consumer Protection Division currently mediates complaints on behalf of association members when those members feel their rights have not been provided under the acts which regulate common ownership communities. In addition, the Division has the authority to take an enforcement action against an association that is in violation of the statutes when it feels that a practice of unfair and deceptive trade actions has taken place. However, other than the Senior Asset Recovery Unit, which has the ability to take direct action on behalf of elderly or vulnerable adults that have been financially exploited, the Division does not represent individual consumers and may only take actions on behalf of the citizens of Maryland.

While financially exploited vulnerable adults generally have little to no ability to file an action on their own behalf, there is no similar universal restriction for owners in a common ownership community. Moreover, filing a direct action against an association creates costs for an association that negatively impacts the finances of all residents of that association. For this reason, the Division supports the rights of a residential owner to file a complaint with the Division rather than seeking to have the Division file an action on behalf of that individual.

For these reasons, the Consumer Protection Division wanted to make the Environment and Transportation Committee aware of our concerns.

cc: The Honorable Marvin E. Holmes, Jr.
Members, Environment and Transportation Committee