

## Maryland Legislative Action Committee The Legislative Voice of Maryland Community Association Homeowners

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March 2, 2022

Hon. Delegate Kumar P. Barve, Chair
Hon. Dana Stein, Vice Chair
Hon. Delegate Sid Saab, Sponsor
Hon. Delegate Brian Chisholm, Sponsor
Environment and Transportation Committee
Rm. 251 House Office Building
6 Bladen Street
Annapolis, MD 21401

## Re: HB 1194 – Condominiums – Assessment Late Fees and Liens – Notice and Timing

## Hearing: March 4, 2022 Position: Oppose

Dear Chairman Barve, Vice Chairman Stein, Delegate Saab, Delegate Chisholm and Committee Members:

This letter is submitted on behalf of the Maryland Legislative Action Committee ("MD-LAC") of the Community Associations Institute ("CAI"). CAI MD-LAC represents individuals and professionals who reside in or work with condominiums, homeowners' associations, and cooperatives throughout the State of Maryland.

MD-LAC is writing today to oppose HB 1194. HB 1194 seeks to extend the time between an owner becoming delinquent in the payment of assessments and the condominium association's ability to collect on those assessments. It also requires that condominiums send notice to each delinquent owner prior to proceeding to collect assessments.

HB 1194 is unnecessary and overly burdensome as notices, due process, and mechanisms to dispute a debt, already exist in the federal Fair Debt Collection Act, the Maryland Contract Lien Act,

Maryland Legislative Action Committee Post Office Box 6636 Annapolis, Maryland 21401 the Maryland Condominium Act, and the association's governing documents (received by an owner at the time of purchase). Therefore, setting yet another requirement is an unnecessary hurdle and further delays the collection process.

Condominiums rely on the timely payment of assessments to sustain the operations of the condominium and maintenance of the common elements. Assessments may go towards utilities, private roads, street lights, stormwater management facilities, lobbies, elevators, clubhouses, pools, tennis courts, etc. The failure by owners to pay assessments detrimentally affects those that do timely pay. The condominium relies upon all homeowners paying in full to have enough money to pay for the operating, upkeep, and maintenance of its common elements, amenities and facilities.

If even one member of the community association does not pay their dues, the community association's budget falls short. This is unfair to the majority of the homeowners to have to make up for the neglect of a few. Lengthening the time frame prior to taking collection action and imposing another notice restriction only serves as increased costs and a delay in the ability to collect assessments. Therefore, we ask that you give HB 1194 an unfavorable report.

We are available to answer any questions which you may have. Please feel free to contact any of the individuals listed: Lisa Harris Jones, CAI MD-LAC lobbyist, at 410-366-1500 or by email at lisa.jones@mdlobbyist.com; or Ruth Katz, CAI MD-LAC, at 301-657-0188, or by email at rokatz@lerchearly.com; or Steven Randol, Chair, at 410-695-2183, or by email at srandol@pineyorchard.com.

Sincerely,

Ruth O. Katz MD-LAC for CAI

Steven Randol.

Steven Randol Chairman MD-LAC for CAI

CAI is a national organization dedicated to fostering vibrant, competent, harmonious community associations for more than thirty years. Its members include community association volunteer leaders, professional managers, community management firms, and other professionals and companies that provide products and services to common interest associations. As part of its mission, CAI advocates for legislative and regulatory policies that support responsible governance and effective management. As part of this purpose state Legislative Action Committees represent CAI members before state legislatures and agencies on issues such as governance, assessments collection, insurance and construction defects.

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