

February 8, 2022

The Honorable Kumar P. Barve  
Environment & Transportation Committee  
House Office Building, Room 251,  
6 Bladen St., Annapolis, MD, 21401

**RE: Opposition HB 358 Maryland Condominium Act - Amendments to the Declaration - Interest in Common Elements**

Dear Chairman Barve:

The Maryland Building Industry Association, representing 100,000 employees statewide, appreciates the opportunity to participate in the discussion surrounding **HB 358 Maryland Condominium Act - Amendments to the Declaration - Interest in Common Elements**. MBIA **Opposes** the Act in its current version.

This bill would authorize the council of unit owners of a condominium to alter, by a vote of at least 60%, an imposed suspension provision. MBIA respectfully opposes this measure. This would mean that 60% of the condo owners could vote to change someone else's percentage interest in the condominium. The statute does not state there has to a valid reason why and could be activated entirely for personal animosity. This bill could be maliciously applied as harassment, discrimination or many other unsavory reasons. It would also cause a problem with the interest of lenders who have loans secured by the condominium unit.

By law, control of the condominium association occurs after 50% of the units have been conveyed, so, it is possible this could be brought up while the developer/builder is still selling and negatively affect the percentage interests of the builder's remaining units before they sell them. This risk would have to be priced into the cost of creating new units which ultimately will drive housing prices up. A situation might also arise in which residential owners and commercial owners might be at odds with the interests of one party near universally overruled rather than the current 80% threshold which requires more consensus.

For these reasons, MBIA respectfully requests the Committee give this measure an unfavorable report. Thank you for your consideration.

For more information about this position, please contact Lori Graf at 410-800-7327 or lgraf@marylandbuilders.org.

cc: Members of the House Environment & Transportation Committee