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March 22, 2022

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Senator William C. Smith, Jr., Chair
Senator Jeff Waldstreicher, Vice Chair
Judicial Proceedings Committee
Miller Senate Office Building
Annapolis, Maryland 21401

Re: HB 615
Real Property – Condominiums and Homeowners Associations – Dispute Settlement
Position: SUPPORT
Hearing Date: March 22, 2022

Dear Chairman Smith, Vice Chair Waldstreicher, and Committee Members:

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

MD-LAC supports HB 615. The bill remedies certain issues with regard to the dispute settlement procedures provided for in Section 11-113 of the Condominium Act and provides for a new Section 11B-111.8 in the Homeowners Association Act to address dispute settlement procedures in Homeowners Associations. Currently there is no dispute settlement procedure in the Homeowners Association Act at all. This bill will remedy that oversight.

Currently, unless the declaration or bylaws of a Condominium Association provides otherwise, the dispute settlement mechanism provided in the State law controls the process by

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which complaints or disputes are handled by the governing body of the Association. The current Condominium law also provides that the governing body may not impose a fine, suspend voting, or infringe upon any other rights of an owner or other occupant for violations of rules until the dispute settlement procedure is followed. A written demand to cease and desist must be served upon the alleged violator, stating the alleged violation, the action required to abate the violation, and that if the rule is violated again (after a grace period of not less than 10 days), sanctions may be imposed after a hearing. It requires that a hearing be held in every instance whether the alleged violator wants one or not.

HB 615 relaxes the procedure in that it does not require hearing unless the alleged violator requests one after proper notice is provided. The change will require that an alleged violator be provided with the notice of the alleged violation, what is required to abate the alleged violation, and the sanction that may be imposed if the alleged violator fails to comply within the grace period provided. The change HB 615 makes is rather than making the hearing mandatory in every instance whether the alleged violator wants a hearing or not, the change provides for an opportunity for a hearing before the governing body, upon request of the alleged violator.

Once the alleged violator has requested a hearing, the bill requires that the governing body hold the hearing upon not less than 10 days' additional notice to the alleged violator. This is fair and reasonable. Under the current law where a hearing is required without request, notice of the hearing is given, the volunteer governing body is assembled, but the alleged violator does not attend thereby wasting the time of the volunteer governing body, and the funds of the non-profit Association. HB 615 provides that if no hearing is requested, then the governing body must deliberate at its next meeting as to whether the violation occurred and what sanction, if any, it will impose.

We are available to answer any questions the Committee Members may have. Please feel free to contact Lisa Harris Jones, lobbyist for the MD-LAC, at 410-366-1500, or by e-mail at lisa.jones@mdlobbyist.com, or Steven Randol, Chair of the MD-LAC, 410-279-8054, or by e-mail at srandol@pineorchard.com, or Kathleen Elmore, Esquire, member of the MD-LAC, at 410-320-6367, or by e-mail at kelmores@el-grp.com.

Sincerely,

Kathleen M. Elmore

Kathleen Elmore, Esquire
Member, CAI MD-LAC

Steven Randol

Steven Randol
Chair, CAI MD