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Ways and Means Committee

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THE MARYLAND HOUSE OF DELEGATES
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Favorable Testimony

HB0434: Maryland Condominium Act - Amendments to the Declaration

Good Afternoon Chairman Barve, Vice Chairman Stein and the honorable members of the Environment and Transportation Committee. I am grateful for the opportunity to testify in support of House Bill 434. This Bill reduces, from 80% to 60%, the threshold of unit owners listed on the current roster of a condominium needed to consent to an amendment of the condominium's declaration. This proposed modification will permit the Boards and Council of unit owners to make amendments to their community's Declaration of Covenants, with a supermajority of 60 % of unit owners, as opposed to the current requirement that 80% of unit owners or mortgagees must support any proposed amendment or change in their community's declaration.

The current requirement under the Real Property Statute of requiring 80% of unit owners and/or mortgagees to support any change is exhaustive. It presents an insurmountable barrier to enact reasonable change, particularly if and when there are lopsided benefits to maintaining the status quo for some unit owners at the expense of others, such as in the definition of common elements and how a community's dues are calculated and enforced.

In most, if not all communities, it is impossible for 80% of unit owners and mortgagees to agree on most things. Yet change and evolution are inevitable and healthy for any community to thrive. Indeed, in 2017, section 11-104 of the Real Property Statute was similarly amended and for these same reasons to make it easier for communities to amend their governing documents, such as their Bylaws. It is imperative that a similar modification to section 11-103 (C) (1) (i) of the Real Property Statute be approved and applied so that amendments to a community's declaration of covenants can be approved with just a supermajority of 60% of votes from unit owners and mortgagees.

The changes being proposed to Section 11-103 (C) (1) (i) focus solely on the voting requirement for the undivided percentage interest in the common elements as defined in a community's declaration, and leave the other provisions in the current statute as they are and without disruption to the 100% voting requirement for changes in such definitions as the boundaries of units and liability for common expense.

This change will undoubtedly ensure that communities can continue to thrive without being impeded by unrealistic voting thresholds that are impossible to meet. This Bill is a revised version of a Bill last Session and considers the concerns regarding this new 60% voting threshold being used to change an owners stake in the property, as well as accounts for other exceptions that would pose significant interference to the property owner's rights. These exceptions outlined in the current version of the Bill will ensure that votes will not be used for nefarious reasonings and eliminates the worry that the new threshold would allow for discrimination or harassment to more easily occur.

Thank you for your time, I urge a favorable report on HB434.