

February 9, 2023

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

RE:

Dear Chairman Barve:

The Maryland Building Industry Association, representing 100,000 employees statewide, appreciates the opportunity to participate in the discussion surrounding **HB 434 Maryland Condominium Act – Amendments to the Declaration**. MBIA **Supports** the Act with amendments.

This bill reduces from 80% to 60% the percentage of unit owners listed on the current roster of a condominium needed to consent to an amendment of a condominium's declaration. MBIA supports this bill with amendments. We believe that Page 1 Section (c)(1) lines 22-23 should say: “may only be amended only with the written consent of 80 percent of the owners listed on the current roster **until such time as the developer no longer owns any of the units and the public offering statement has not yet been terminated, and thereafter may be amended with the written consent of 60 percent of the owners listed on the current roster.**”

Developers make a large investment in the communities that we build. By law, transfer of 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 adopt the proposed amendment and give this measure a favorable 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