

CANDACE McLAREN LANHAM
Chief Deputy Attorney General

CAROLYN A. QUATTROCKI
Deputy Attorney General

LEONARD J. HOWIE III
Deputy Attorney General

CHRISTIAN E. BARRERA
Chief Operating Officer

ZENITA WICKHAM HURLEY
Chief, Equity, Policy, and Engagement

PETER V. BERNS
General Counsel



ANTHONY G. BROWN
Attorney General

STATE OF MARYLAND
OFFICE OF THE ATTORNEY GENERAL
CONSUMER PROTECTION DIVISION

WILLIAM D. GRUHN
Chief
Consumer Protection Division

Writer's Direct Dial No.

410-576-7942
kstraughn@oag.state.md.us
Fax: 410-576-7040

February 27, 2024

To: The Honorable Marc Korman
Chair, Environment and Transportation Committee

From: Karen S. Straughn
Consumer Protection Division

Re: House Bill 1039 – Condominiums and Homeowners Associations – Resale Contracts –
Notice Requirements (SUPPORT)

The Office of the Attorney General submits the following written testimony in support of House Bill 1039 sponsored by Delegates Terrasa, Lehman and Ziegler. This bill limits the fees chargeable by a common ownership community when obtaining a resale package. It further establishes that the resale package may be provided to the real estate agent for the prospective purchaser and lengthens the period to cancel a resale contract from 5 days to 7 days.

Resale packages notify the potential buyer of important information about both the individual home being purchased and the financial standing of the association. It provides an important level of transparency and consists of the governing documents of an association as well as information about potential litigation, special assessments that may be forthcoming, and other important information that may affect a potential buyer's purchase decision.

While this information is critical to the home buying decision, it is generally readily accessible to the managing agent. For these reasons, the legislature previously chose to limit the cost of producing these packages. Unfortunately, there is often a need to request updated information or to expedite the receipt of the documents. This bill seeks to limit the fees for these practices and to further prohibit additional fees. While this is a necessary process for the sale, the fee limitation allows a reasonable fee while not making it cost prohibitive to the seller. Finally, the

bill extends the requirement of receiving the documents to 7 days prior to the sale, or cancellation may be extended to 7 days after receipt to permit the purchaser to carefully review the package materials.

For these reasons, we ask that the Environment and Transportation Committee return a favorable report on this bill.

cc: The Honorable Jen Terrasa
 The Honorable Mary A. Lehman
 The Honorable Natalie Ziegler
 Members, Environment and Transportation Committee