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Hon. Delegate Marc Korman  
Hon. Delegate Regina T. Boyce  
Environment and Transportation Committee  
251 House Office Building  
6 Bladen Street  
Annapolis, MD 21401

**Re: HB 1300 – Montgomery County - Restriction on Use of Real Property - Limitation  
MC 8-24  
Hearing: March 8, 2024      Position: Oppose**

Dear Chair Korman & Vice Chair Boyce, 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 condominiums, homeowners associations and cooperatives throughout the State of Maryland.

MD-LAC is writing today to voice our opposition for HB 1300 which provides that any covenant, condition or restriction in a Montgomery County Deed, Declaration, Bylaws or Rules for a Condominium or Homeowners Association that prohibits the use of real property for housing units otherwise authorized under law is void and unenforceable as contrary to public policy.

HB 1300 is overbroad and has wide sweeping, negative implications for community associations in Montgomery County. The Declaration and Bylaws are the contractual agreements between the community association and the homeowner who purchases a Lot or Condominium Unit. Homeowners rely upon these contractual agreements in purchasing homes within a community association to ensure that property values are preserved and the actions of neighboring residents are not deleterious to the communal living environment.

To prohibit all covenants pertaining to the use of real property, that are not otherwise authorized under law, would prohibit a community association from enforcing any covenants that pertain to architectural guidelines, home-based businesses, leasing and maintenance standards. The overbroad nature of this bill would effectively eliminate the power of the community association to establish any standards within the community.

While the bill provides that the prohibition is prospective only, most Declarations, Bylaws and/or rules for a community association contain numerous covenants that pertain to the use of the real property. This bill would eliminate the primary purpose of any community associations that are formulated after its adoption.

This bill, if it becomes law, would violate the Contracts Clause as many common provisions within these contractual agreements between the homeowner and community association would be unenforceable. These contracts are something every member of a community has an opportunity to review and approve through resale certificates. In addition, many of these communities have expended considerable time and expense to amend their governing documents.

Finally, if passed, this bill would cause community associations in Montgomery County to incur substantially more in legal fees. Community associations would be forced to undertake a line-by-line review of their governing documents with counsel to determine which provisions are enforceable and which provisions are susceptible to challenge. In addition, enforcement efforts would be more difficult as defendants in every community association covenant enforcement matter would likely raise this bill as a defense. Given the lack of defined terms and ambiguity in this bill, this would invite unpredictable and expensive litigation.

Accordingly, the MD-LAC respectfully request that the Committee does not give HB 1300 a favorable report.

We are available to answer any questions which you may have. Please feel free to contact any of the individuals listed: Lisa Harris Jones, CAI MD-LAC lobbyist, at 410-366-1500 or by email at [lisa.jones@mdlobbyist.com](mailto:lisa.jones@mdlobbyist.com); Hillary Collins, Esq., member by email at [hcollins@reesbroome.com](mailto:hcollins@reesbroome.com); or Vicki Caine, Chair 215-806-9143, or [MDLacChair1@gmail.com](mailto:MDLacChair1@gmail.com).

Sincerely,

*Vicki Caine*

Vicki Caine  
Chair, CAI MD-LAC

*Hillary Collins*

Hillary Collins, Esq., CIRMS  
Member, CAI MD-LAC

CAI is a national organization dedicated to fostering vibrant, competent, harmonious community associations for more than thirty years. Its members include community association volunteer leaders, professional managers, community management firms, and other professionals and companies that provide products and services to

**Maryland Legislative Action Committee**  
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common interest associations. As part of its mission, CAI advocates for legislative and regulatory policies that support responsible governance and effective management. As part of this purpose state Legislative Action Committees represent CAI members before state legislatures and agencies on issues such as governance, assessments collection, insurance and construction defects.

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