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February 28, 2024

Marc.Korman@house.state.md.us
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Delegate Marc Korman, Chair
Delegate Regina Boyce, Vice Chair
Environment and Transportation Committee
Room 251, House Office Building
Annapolis, Maryland 21401

Re: House Bill 1262
Common Ownership Communities – Reserve Studies – Alterations
Hearing Date: March 5, 2024 – 1:00 p.m.
Position: Oppose

Dear Chairman Korman, Vice Chair Boyce, and Members of the Environment
and Transportation Committee:

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.

We write on behalf of the Maryland residents statewide who reside in common ownership communities to voice our opposition to the above-referenced legislation, which is scheduled for hearing before your Committee on March 5, 2024 at 1:00 p.m.

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Community Associations Institute

As you know, in the years since the Surfside tragedy, Maryland has been proactive in adopting legislation to enforce the obligation to obtain replacement reserve studies, and to fund fully the recommendations set forth therein. Unfortunately, the proposed HB 1262, while attempting to spare small associations (6 or fewer units) from unwarranted expense, inadvertently waters down the protections offered to homeowners in legislation previously adopted by the General Assembly.

Specifically, HB 1262 seeks to exempt those associations having six (6) or fewer units from the requirements set forth in the existing laws, apparently motivated by a belief that a small association would not possess any infrastructure or capital improvements necessitating the accumulation of replacement reserves. In fact, that presumption is inaccurate. Although some associations of that size own nothing more than a community sign or small tot lot, there are others who have the perpetual responsibility to maintain, repair, replace stormwater management systems, for example, the timely and proper maintenance of which affects owners residing within and without the association.

Simply put, by providing a community association with the means to exempt itself from responsibility it would otherwise have under existing law to obtain a replacement reserve study, and to fund fully the recommendations included therein, when that exemption is based solely on the number of units in the association, the proposed HB 1262 represents the short-sighted and ill-advised thinking that drove the leadership and unit owners in Surfside to defer their obligations for years, paving the way for the occurrence of a fatal disaster.

Accordingly, we are **opposed** to the enactment of HB 1262, and we request that a favorable recommendation **not be made** by this Committee. Thank you for your time and attention to this important legislation.

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 Scott Silverman, of the MD-LAC, at [301-251-1414](tel:301-251-1414), or by e-mail at ssilverman@schildlaw.com.

Sincerely,

Scott J. Silverman

Scott J. Silverman, Esq.
Member, CAI MD-LAC

Vickie Caine

Vicki Caine
Chair, CAI MD-LAC