

SB 15 Fav.pdf

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Position: FAV

CHRIS WEST
Legislative District 42
Baltimore and Carroll Counties

Judicial Proceedings Committee



Annapolis Office
James Senate Office Building
11 Bladen Street, Room 322
Annapolis, Maryland 21401
410-841-3648 · 301-858-3648
800-492-7122 Ext. 3648
Chris.West@senate.state.md.us

THE SENATE OF MARYLAND
ANNAPOLIS, MARYLAND 21401

February 8th, 2024

The Maryland State Senate Judicial Proceedings Committee
The Honorable William C. Smith, Jr.
2 East Miller Senate Building
Annapolis, Maryland 21401

Re: Senate Bill 15: Cooperative Housing Corporations - Dispute Settlement

Dear Chairman Smith and members of the Committee,

Maryland does not have many cooperative housing associations.

In the case of a condominium, the condominium owner owns in fee simple the space occupied by the condominium. In the case of a high rise condominium, this means the buyer owns airspace which constitutes part of the building. Other condominium owners own their own airspaces. Under the condo regime, each condo owner has a joint ownership interest in the building's common elements.

In the case of a coop, the owner is a partial owner of the entire building. As one of the building owners, the coop owner has the right to live in one of the apartments in the building.

This bill addresses situations in which a coop owner fails to abide by the rules of the coop, which are set by the governing body of the coop. The bill makes modest changes to the existing statute setting forth the mechanism for enforcing the rules of the coop against noncompliant coop members. Most importantly, upon the request of the alleged violator, the bill provides the violator with an opportunity for a hearing about the violation before the governing body. In the event of such a request, the violator will be entitled to at least 10 days written notice of the time and place of the hearing. If no hearing is requested, then the bill requires that at the next meeting of the governing body, it must deliberate as to whether the violation occurred and decide what sanction, if any, to impose.

Senate Bill 15 reflects the current dispute settlement provisions that govern condominiums and homeowners' associations in Maryland. Last year, this bill passed the House of Delegates unanimously but never got passed in the State Senate.

I appreciate the Committee's consideration of Senate Bill 15 and will be happy to answer any questions the Committee may have.

SB15-MDLACTestimony.pdf

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Position: FAV

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January 22, 2024

will.smith@senate.state.md.us

jeff.waldstreicher@senate.state.md.us

Senator William Smith, Chair
Senator Jeff Waldstreicher, Vice Chair
Judicial Proceedings Committee
Miller Senate Office Building
Annapolis, Maryland 21401

Re: SB015
Cooperative Housing Corporations - Dispute Settlement
Position: SUPPORT
Hearing Date: February 8, 2024

Dear Chairman Smith, Vice Chair Waldstreicher, 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 community associations (condominiums, homeowners’ associations, and cooperatives) throughout the State of Maryland.

MD-LAC supports **SB015**. The Bill mirrors the current dispute settlement provisions of both the Maryland Condominium Act and the Maryland Homeowners Association Act and brings the Maryland Cooperative law into parity with those two acts with regard to the procedures for dispute settlement.

The bill remedies certain issues with regard to the dispute settlement procedure in general, by **providing an alleged violator with an opportunity for a hearing before the governing body, upon request, but not requiring a hearing for each alleged violation in circumstances where the alleged violator does not want, nor will attend the hearing.** Once requested by the alleged violator, the bill requires that the hearing be held upon not less than 10 days' additional notice. In the vast majority of cases where a hearing is required without request, notice of the hearing is served, the volunteer governing body made up of members of the Cooperative is assembled, but the alleged violator does not attend thereby wasting time, money and effort. If no hearing is requested, then the bill as proposed requires that the governing body deliberate as to whether the violation occurred and what sanction, if any, to impose, at the next meeting.

We respectfully request that the Committee give SB015 a favorable report. 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, Vicki Caine, Chair of the MD-LAC, by e-mail at to MDLacChair1@gmail.com, or Kathleen M. Elmore, Esquire, member, MD-LAC for Community Associations Institute at 410-544-6644, or by E-mail at [kelmore@el-grp.com](mailto:kelmor@el-grp.com).

Sincerely,

Kathleen M. Elmore
Kathleen Elmore, Esquire
Member, CAI MD-LAC

Vicki Caine
Vicki Caine
Chair, CAI MD-LAC