



---

Vicki Caine, Chair  
Igor Conev, CMCA, AMS, PCAM, CIRMS, Vice Chair  
Brenda Wakefield, CMCA, AMS, Secretary

Marie Fowler, PCAM, Treasurer  
Charlene Morazzani Hood, PCAM, MS,  
Asst. Treasurer

Hillary A. Collins, Esq., Member  
Julie Dymowski, Esq., Member  
Kathleen M. Elmore, Esq., Member  
Cynthia Hitt Kent, Esq., Member  
Barbara Leonard, Member  
Chris Majerle, PCAM, Member

Robin Manougian, CIRMS, Member  
John Oliveri, Esq., Member  
Nura Rafati, Esq., Member  
Susan Saltsman, CMCA, AMS, Member  
Scott Silverman, Esq., Member  
Ellen Throop, Esq., Member  
Tricia A. Walsh, CISR, Member

---

February 25, 2025

Hon. Marc Korman, Chair  
Hon. Regina T. Boyce, Vice-Chair  
Environment and Transportation Committee  
251 Taylor House Office Building  
Annapolis, Maryland 21401

RE: HB01117 – Montgomery County – Common Ownership Communities, Disputes, Payments  
and Elections

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 MD-LAC represents individuals and professionals who reside in or work with condominiums, homeowners' associations, and cooperatives throughout the State of Maryland.

The MD-LAC is writing to voice opposition to HB01117. While the purpose of the Bill may be designed to address some bad apples, the proposed legislation is an unnecessary carve out from the state's pre-emption of the laws governing cooperatives, condominiums and homeowners associations. The proposed legislation is redundant with current Federal and state laws and conflicts with many provisions of the communities governing documents and will cause massive confusion over the application of already existing corporate laws and consumer protection laws. The proposed legislation is unnecessary given that there are already dispute settlement mechanisms in the State law, in the governing and in the Office of the Attorney General and in Montgomery County in the Commission on Common Ownership Communities (CCOC.) The proposed legislation is ambiguous, and the ambiguities will lead to unnecessary

**Maryland Legislative Action Committee**  
**Post Office Box 6636**  
**Annapolis, Maryland 21401**

litigation. Finally, the proposed legislation will punish those communities that are well managed, where elections are already conducted fairly by the owners or the management company, where assessment collection is already conducted in accordance with the laws established for consumer protection and where disputes are already settled following the due process standards already established in the law. These additional regulations for Montgomery County will require all systems, even the systems that are managed properly, to change and the costs of such system changes will create undue burdensome costs for the owners. Owners are already burdened with the increased costs of providing goods and services to their communities, owners are already burdened by having to increase the reserves to properly maintain and repair the infrastructure in their communities, and the proposed legislation would add to these burdens increased administrative costs for owners in Montgomery County. Allow us to illustrate these concerns with specifics:

The Corporations and Association Article states in Section 5-6B-32 that County law, ordinances or regulations shall not preempt the statewide laws written for cooperative housing corporations (Co-ops) and further that County laws, ordinances or regulations shall not impose on Co-ops laws that are not imposed on other non Co-op corporations. To our knowledge, the elections of other Maryland corporations are not subject to the onerous requirements set forth in the proposed legislation. To our knowledge payment of dues or assessments to other types of Maryland Corporations are not subject to requirements similar to the proposed legislation and disputes within non Co-op corporations are not subject to or ham-strung by the dictates of this proposed legislation.

The additional requirements for payment disputes and the due process of the dispute settlement mechanisms for Montgomery County only for condominiums Co-ops and HOAs are also redundant and overburdensome. Even when the dispute settlement mechanism statutes were amended in 2022 and in 2024, the over burdensome requirements of 11-130.1 were not adopted by this General Assembly statewide. The MD LAC believes that pre-emption and uniformity of laws should be preserved so that lay persons who live in Condominiums, Co-ops and HOAs and volunteer to be on the Boards of their communities in Montgomery County and throughout the State, should be able to manage their communities with autonomy, bound by laws that are clear and simple to implement, and laws that are not redundant, ambiguous and in conflict with their governing documents.

The Real Property Article states in Section 11-122 that County laws, ordinances or regulations shall not preempt the statewide laws written for condominiums. The Maryland Condominium Act addresses elections with broad strokes so that the applicable governing document – the By-Laws – can address in more detail parliamentary procedures, including elections. Many condominiums have a management company and often the management agents provide services to conduct the elections from the issuing of notices to taking the votes to communicating with the ownership. Often these services are provided as part of the management fee. Why would management agents in Montgomery County be barred from conducting elections thus requiring an additional administrative cost to have the elections conducted by a third party? This alternate scheme of conducting the elections might also conflict with provisions in the governing documents (often found in common corporate By-Laws) allowing for nominating

committee or inspectors of the election or for election questions to be determined by the Chair. The redundancy of the proposed legislation will cause confusion from County to County and will likely increase complaints to the Montgomery County CCOC and the Office of the Attorney General.

The Real Property Article states in Section 11B-115 that a County or municipality may adopt a law or ordinance or regulation for consumer protection to the extent and in the manner provided under Section 11-103 of the Commercial Law Article. This carve out for Montgomery County appears to contravene that process.

Many communities are struggling to meet the rising costs of their community association – rising costs of services, rising costs of maintenance repairs and replacements and a hidden cost not well known to those who enact additional burdensome regulations. Communities must have the funds to pay for these costs – both tangible and intangible. Administrative costs including obtaining legal advice on compliance with new laws (in this proposed legislation – new election laws, new accounts receivable laws and new enforcement laws) and management advice on new systems required by those laws (third party elections, different account receivable requirements and different enforcement requirements) are taking dollars away from dollars that would go into sticks and bricks and re-directing dollars into unnecessary and burdensome administration.

In sum, Statewide regulations (and even Federal regulations) – Corporate, Co-op, HOA, consumer protection and discrimination – already exists and the courts, the CCOC and the Office of the Attorneys General already address disputes and violations. The carve out for Montgomery County only contravenes the pre-emption by the State; discriminates against Co-ops, Condominiums, and HOA corporations in ways that other corporations are not similarly treated; and conflicts with and contravenes the autonomy in each communities governing documents. The proposed legislation ***will add*** burdensome costs to already struggling communities.

The MD LAC acknowledges the past use of carve outs and we have seen benefit of carve outs for some counties especially when such carve outs have created pilot programs – such as the reserve study/reserve account legislation. However, the MD LAC has seen an increase in the use of carve outs that will only foster differences from County to County and weaken the preemption of the subject of community associations by the State, weaken the uniformity of laws from County to County and led to conflicting and confusing regulations from County to County. This fracturing of the community association laws makes it more difficult for volunteer community owners to know and understand the laws and to govern themselves in accordance with the laws. We urge legislators to make community association laws and therefore governance easier, not more difficult.

For the foregoing reasons, the MD LAC opposes HB1117 in its entirety. We are available to answer any questions the Committee Members may have. Please feel free to contact any of the individuals listed: Lisa Harris Jones, CAI MD-LAC lobbyist, at 410 366 1500 or [lisa.jones@mdlobbyist.com](mailto:lisa.jones@mdlobbyist.com) or Vicki Caine, CAI MD-LAC Chair, at 215 806 9143 or [vcaine1@gmail.com](mailto:vcaine1@gmail.com). or Cynthia Hitt Kent, CAI MD-LAC member, at 410 363 9600 or [ckent@hittkentlaw.com](mailto:ckent@hittkentlaw.com). Despite our opposition to this Bill, we thank you for your efforts on

**Maryland Legislative Action Committee**  
Post Office Box 6636  
Annapolis, Maryland 21401

behalf of community associations and your time in this matter. Our MD Legislative Action Committee will continue to strive for fair and just laws and regulations that are uniform, easy to understand and easy to implement to support, foster and protect Maryland communities and the owners and residents who live there and the vendors and volunteers who work there.

Sincerely,

*Vicki Caine*

Chair, CAI MD-LAC

*Cynthia Hitt Kent*

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 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.