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MAYOR

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HB 0306

February 4, 2025

TO: Members of the Environment and Transportation Committee

FROM: Nina Themelis, Director of Mayor's Office of Government Relations

RE: House Bill 306 - Common Ownership Communities - Ombudsman Unit, Governing Document Database, and Local Commissions

POSITION: **Oppose**

Chair Clippinger, Vice Chair Bartlett and Members of the Committee, please be advised that the Baltimore City Administration (BCA) oppose House Bill (HB) 0306.

This bill creates a new unit within the State's Consumer Protection Office for Common Ownership Communities (condos, co-ops and home owners' associations). The unit would help monitor State and Federal laws, provide information and refer homeowners in those types of dwellings to mediation services for complaints. The unit would also review complaints by those homeowners about adverse final decisions from the governing body of their residence. To do this review the State may refer the matter to local commissions on Common Ownership Communities for a determination about whether any laws or regulations were violated in the final decision. Common Ownership Communities would have to file documents with the state unit, which would make them available in a public database.

The bill also details rules for a local commission on Common Ownership Communities created by the City. It is unclear if each local jurisdiction must create these local bodies or are simply permitted to do so. If this is a requirement, the City should evaluate the resources needed to set up and staff such a commission. The local commission would be required to keep a registry of Common Ownership Communities and review disputes about final determinations from these communities to their residents. It would also be required to conduct education and be a resource for Common Ownership Communities.

Common Ownership Communities are private agreements among property owners, and those owners have access to the courts to resolve disputes. Owners collectively made an agreement to bind themselves in a Common Ownership Community of some type and it is unclear why a third-party local body needs to be created to review complaints. The BCA does not have the resources nor the desire, to set up and staff such a commission. Currently residents party to a Common Ownership Community have legal and individual options to resolve disputes, the individual can also sell and leave. The option for a Common Ownership Community to dissolve its organization is next to impossible for most condos where there are common elements that would require shared responsibility toward maintenance, repairs and replacement.

Under this Bill, all condos are common ownership communities. Using SDAT real property data we identified 1,987 property types designated as "U" condos in Baltimore City, of which, we have no way of knowing which have a common ownership community and no reason to be involved in settling disputes. We do know that we have at least 3 co-ops but there are possibly many more. The same health and safety codes apply to Common Ownership Community and they are currently enforced by the City of Baltimore.

For these reasons, the BCA respectfully request an unfavorable report on HB 0306.

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