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February 24, 2025

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

Re: House Bill 1221
Common Ownership Communities – Online Publication of Resale Disclosures
Hearing Date: February 28, 2025, 1:00 p.m.
Position: Oppose

Dear Chair 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.

MD-LAC opposes HB 1221. This bill would require co-ops, condominium, and homeowner associations or their management company to maintain resale information on their websites in a particular format at no cost. Many associations, especially small self-managed associations, do not have websites, and in many cases, association volunteers maintain the website. Like any type of management, some websites are well maintained and up to date, some are not.

Maryland Legislative Action Committee
Post Office Box 6636
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Association websites typically have general information about the community and may include the governing documents, minutes, etc. This bill is mandating the resale content requirements for websites that are optional conveniences that Associations provide to their residents and prospective buyers in their communities. Current resale packages have generally three parts – the governing documents, financial information and specific unit or lot ownership information. Requiring resale information on the website might expose private information to the public. Most association websites are meant to be just for the members. In addition, this Bill would complicate and confuse who is responsible for resale information. Currently many Management companies under contract with the association provide Resale packages in accordance with the Maryland Condominium Act and the Maryland Homeowners Association Act.

Management companies for co-ops, condominiums, and homeowners' associations take on the immense liability for the validity of the documents and statements provided in a resale package, which requires many hours of staff in various departments to ensure the information available is current and accurate. HB 1221 would ultimately impact the associations' budgets as management companies would need to cover the cost of the staffing hours to take on the liability and prepare and oversee the information required (on the websites) in addition to what information is in hard copy or electronic resale packages. Individual sellers purchase resale packages according to the resale package laws to sell their homes. HB 1221 would make these packages available at no cost. The cost for this information would then be passed on to the homeowners via their associations' general fund and paid for by owners who are not selling their property and are not benefitting from their neighbor's sale.

There are current laws in place that cap the costs for resale packages. Changing the law so the information is available on a website so the consumer would not have to pay for the information would add costs to the association to start a website if they do not have one and to pay someone to maintain the information on the website. These requirements would push management companies to increase management fees to cover these additional expenses. Website costs, added staffing, etc. would ultimately increase association assessments.

For the foregoing reason, we oppose HB 1221 as creating another layer of administration that will increase administrative costs to homeowners generally. We are concerned that the proposed legislation creates confusion between the current requirements for resale packages, and what must be placed on the website, if there is one, and possibly exposes private information to the public. Thank you for your time and attention to review this information.

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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, Marie Fowler at 301-596-2600 ext. 4210 or by e-mail at mfowler@cviinc.com, or Vicki Caine at 215-806-9143 or by e-mail at vcaine1@gmail.com.

Sincerely,

Marie Fowler

Marie Fowler
Treasurer, MD-LAC for CAI

Vicki Caine

Vicki Caine
Chair, CAI MD-LAC