

January 30, 2025

The Honorable Marc Korman
Chairman, House Environment and Transportation Committee
House Office Building, Room 251
6 Bladen Street
Annapolis, MD 21401

RE: Letter of Support with Amendments HB 295 Real Property – Condominiums and Homeowners Associations – Governing Bodies and Annual Meetings

Dear Chairman Korman:

The Maryland Building Industry Association (MBIA), representing 100,000 employees of the building industry across the State of Maryland, support **HB 295 Real Property – Condominiums and Homeowners Associations – Governing Bodies and Annual Meetings with Amendments.**

In concept, we do not disagree with much of the content of this bill. However, there needs to be some clarifying language specifically with regards to sections of the bill that calls for “Units representing 25% of the votes in the condominium”. Again, we do not have an issue with the concept that a homeowner should be appointed to the board upon the conveyance of 25% of the units to homeowners but do think it needs to be drafted differently as it can be interpreted in different ways. Otherwise, it is unclear whether the 25% applies to the whole community and the number of units that may ultimately be annexed or whether it applies only after the entire community has been expanded to include all phases, in which case, transition of the board may have already occurred. Our position is that the legislation should only apply after 25% of the entire proposed number of units that may ultimately be annexed through all planned phases have actually been annexed.

Additionally, we have significant concerns with the language regarding bonding. The bonds that are posted are between the developer and the jurisdiction. The homeowners have no claim to the bonds, nor are bonds generally posted by the developer to cover the completion of common elements of the condominiums or community/association owned property. This language mixes the obligations to the jurisdiction with obligations to the Association. Providing the contact information is an invitation for anyone to interfere with and hold up the release of bonds that may be unrelated to issues with the Association. We request that this language be struck on page 7, line 1 through 19.

For these reasons, MBIA looks forward to working with the sponsor of the bill to clarify the intent and support the bill.

For more information about this position, please contact Lori Graf at 410-800-7327 or lgraf@marylandbuilders.org.

cc: House Environment and Transportation Committee Members