

**TESTIMONY OF THE LEGISLATIVE ADVOCACY COMMITTEE OF THE
DEMOCRATIC CLUB OF LEISURE WORLD
ON MARCH 12, 2025
BEFORE THE HOUSE WAYS AND MEANS COMMITTEE**

**HB 1534 – CONDOMINIUMS AND HOMEOWNERS ASSOCIATION – ELECTIONS, FINANCIAL
STATEMENTS AND ENFORCEMENT**

FAVORABLE WITH AMENDMENTS

Honorable Chair Marc Korman and Vice Chair Regina Boyce and Members of the House Environment & Transportation Committee:

I am testifying on behalf of the Legislative Advocacy Committee of the Democratic Club of Leisure World because of the bill's impact on governance of common ownership communities. Leisure World is a common ownership community in Silver Spring, Maryland. Our community has 27 condominiums, 1 cooperative, and 1 home owner association. More than 8500 residents live in Leisure World.

Leisure World supports this bill provided amendments are made to sections 1-109 (c)(17)(III) and 11B-118(A)(2)(I) consistent with the amendments to HB 1117 proposed by Delegate Spiegel. Amendments are needed because HB 1534 does not allow property managers to be involved in elections under any circumstances. HB 1534 fails to address the many communities that fully support their property managers. It should be noted that the Montgomery County Council did not support HB 1117 as initially introduced that had the identical provisions.

Leisure World is the largest common ownership community in Montgomery County. It has extensive experience with the election process. In the recent past we have had hundreds of successful elections with a system that includes the property manager. The same situation of clean and fair elections relying on property managers no doubt exists in many other HOAs in Montgomery County. By subjecting all HOAs into the bill, it causes all residents of common ownership communities higher HOA fees and creates confusion that is not necessary.

Many condominiums' property managers provide valuable assistance to the election process. Professional property managers understand the rules, provide guidance to boards and unit owners, assist in administration of elections by sending our notices and reminders, and arrange for printing ballots and other election material. If condos are not allowed to use their property managers, HOA fees may go up to cover the costs of hiring contractors to perform duties otherwise done by property managers for the election process.

At Leisure World our professional property managers provide enormous assistance to our residents and governing bodies and committees. Almost all mutuals in Leisure World rely on property managers for parts of the election process. We should note our property managers are employees of the Leisure

World Management Corporation (LWMC). LWMC is owned by the Leisure World Community Corporation which is owned by the residents of Leisure World. In light of this relationship and positive experience with using property managers HB 1534 should be amended to exclude Leisure World property managers from the bill.

It is noteworthy that HB 1117, a bill before this Committee, initially prohibited involvement of property managers in elections using the identical language that is in this bill. The sponsor of this HB 1117 is Delegate Spiegel who submitted the bill on behalf of the Montgomery County delegation. To address the issue of property managers who work for organizations owned by condominiums like Leisure World, Delegate Spiegel recently submitted an amendment to his bill that provides in the bolded language:

UNLESS PROPERTY MANAGEMENT FOR A CONDOMINIUM IS OWNED BY THE CONDOMINIUM, OR A PARENT ASSOCIATION OF THE CONDOMINIUM REPRESENTATIVES OF THE CONDOMINIUM'S PROPERTY MANAGEMENT ARE NOT INDEPENDENT PARTIES.

Similar to this amendment to HB 1117, HB 1534 should be amended to make this same change in sections 1-109 (c)(17)(III) and 11B-118(A)(2)(I).

Alternatively, the bill should be amended to revise sections 11-109 (c)(17)(III) and 11B-118(A)(2)(I) to read:

Representatives of the [Condominiums'] [Home Owners Association's] property management are independent parties unless more than 25% of the eligible voting members of the [Council of Unit Owners][Home Owners Association] object to their independence.

This would be consistent with the bill's treatment of unit owners and lot owners that provides a presumption that in the election process they are independent unless 25% of the eligible voters object. This amendment would provide a similar presumption of independence for property managers and importantly provide a check on property managers to ensure residents have confidence in their property managers. It would allow the many professional property managers who provide valuable assistance to Condominiums and Home Owners Associations to assist in elections and weed out those that do not.

For the above reasons, we request amendments to HB 1534.

Respectfully submitted,

Jim Lieberman

Legislative Advocacy Committee
Democratic Club of Leisure World