



HOMEOWNERS
OF AMERICA
UNITED

January 17, 2025

**Testimony for
2025 SB71 / HB294 - Task Force on Common Ownership Communities**

Dear Chair Smith and Senators of the Judicial Proceedings Committee,

My name is Steve Horvath from HOA United. *Homeowners of America United* is a nonprofit organization funded entirely by member donations that connects homeowners to provide advocacy, collaboration, education, empowerment, and inspiration to create positive, transformative impacts for common interest communities. A number of our members are Maryland COC homeowners.

Before deciding to authorize a Task Force for Maryland COCs to study education and training, alternative dispute resolution (ADR), establishing a permanent state commission, manager licensure and best practices, please avail yourselves of a cornucopia of academic and legislative resources about these topics, including [recent task forces and working groups in other states](#).

While there is no doubt that additional study of certain topics can have benefits, the overarching outcome of condo, co-op and HOA task forces across the nation is twofold: 1) a delay in passing legislation waiting for a report and 2) little to no change in the status quo whereby meaningful reforms requested by homeowners and homeowner-centric organizations will be met with adversity from the business industry primarily led by the Community Associations Institute (CAI). To wit, the Maryland legislature has previously declined to pass several reforms related to this proposed task force. This is the latest attempt to establish a task force following [2023 HB423 / SB894](#), and [2024 HB286](#). Will a formal report change hearts and minds?

Maryland has previously adopted a number of reasonable requirements for open meetings, rule-making and other topics and would be wise to forego further study and

instead pass legislation replicating additional reforms successfully implemented in states such as Arizona, California, Colorado, Florida, Nevada, Texas and Washington.

Thank you for considering testimony from *HOA United*.

Sincerely,

A handwritten signature in black ink, appearing to read "Steve Horvath". The signature is fluid and cursive, with the first name "Steve" and last name "Horvath" clearly distinguishable.

Steve Horvath
Co-Founder, HOA United

Director Education Requirements

- Connecticut [recommends training](#)
- Florida requires education for board members ([condominiums](#) and [HOAs](#))
- New Mexico has a [written certification requirement](#) for board members

Alternative Dispute Resolution

- Please see [HOA United ADR recommendations](#) that includes a cornucopia of information including a [link to this table of remedies available in every state](#).
- Learn from [Montgomery County](#) and [Prince George's County](#) OCOCs.

Manager & Management Licensure

- Licensure without stringent requirements, regular supervision and remedies supported by a state agency will not materially change the significant power imbalance in COCs, nor improve the lack of accountability on the part of managers and management companies.
 - Ontario, Canada's [Condominium Management Regulatory Authority CMRAO](#) has the most robust system of oversight in North America.
 - [Links to state manager and management licensure requirements](#) (far right column).

Creating a Permanent State Commission

- Collecting and aggregating information is not enough. A state commission must be resourced to directly intervene in disputes and adjudicate wrongdoing.
 - Former Florida Condominium Ombudsman Spencer Hennings [called the state's DBPR \(pre-2024 reforms\) a "toothless tiger."](#)

"I think it's quite confusing to have a 120 page condominium act filled with laws that there is no enforcement for. I can't tell you how many, probably thousands of times condominium owners throughout the state would call me and say "My association is clearly violating this law. Who do I call? Who do I go to? What do I do?"

And so many times I would have to tell those people: I'm sorry, there is a law and you're right, they're probably violating it based on what you're telling me, but there's no one to enforce this, so hire a lawyer, good luck. I hope you have \$200,000 to spend because that's what it's going to take to enforce this law..."

Best Practices

- Successful, unsuccessful, and upcoming legislation from across the country reads like a book of best practices. Here are several top initiatives from HOA United:
 - [Disputes and Remedies \(Alternative Dispute Resolution\)](#)
 - [Powers and Duties - Enforcement](#)
 - [Delinquency, Collection and Foreclosure](#)
 - [Insurance & Action Following a Loss](#)
 - [Elections](#)
 - [Unit Owner Voting](#)
 - [Regulatory Authority](#)


As the [Sun Sentinel reported](#) in October 2023:

Since the 1970s, lobbying organizations representing the association industry have had a strong influence in the Legislature, often on non-controversial issues intended to improve the effectiveness of association governance.

But some of their initiatives were designed to allow boards to retain maximum power at the expense of homeowners, making it easier for law firms and management companies to preserve lucrative relationships with condo and HOA boards..."

Following North Carolina's recent legislative recess, [The Charlotte Observer reported](#) that CAI's legislative action committee "opposed even [a] pared-down iteration" of [HB542](#) that had overwhelming bi-partisan support. HB542 was relegated to a review committee.

Evan McKenzie, a professor of political science at University of Illinois at Chicago, is

probably the most prolific author and researcher of CICs (he prefers the term CIDs or residential private governments) best known for his 1994 book [Privatopia](#) and [Beyond Privatopia](#) in 2011. McKenzie has also authored many academic pieces, including one chapter of 2016's [Private Communities and Urban Governance: Theoretical and Comparative Perspectives](#) titled [Rethinking Residential Private Government in the US: Recent Trends in Practices and Policy](#).  [Listen to the audio summary](#).

"...increased concerns about association finances highlight the extent to which the rapid spread of common interest housing has outpaced the public policy process, which is now trying to catch up..."

..."Despite the mounting evidence that CID private governments are overly reliant on owner resources and lacking in institutional support, policy makers have favored self-protective steps to insulate public institutions from the risk of loss, rather than bolstering the private governments that pose that risk.

Such policies are an improvement over the reckless promotion and unregulated privatization that marked the rise of residential private government. At least we appear to have discarded the cavalier assumption that no institutional support or regulation are necessary. But what is missing, still, is a proactive and forward looking approach."

[The Community Associations Institute] CAI ... functions as an interest group that has substantial influence on legislation and court decisions..."

..."There is nothing improper about professionals advancing their interests in the press and through the policy process, but there is an enormous public interest in having a full understanding of what is going on in this privatized realm, and that will never come from private professionals who are making their living solving problems that could be prevented by more enlightened public policies."

Table 3 Institutional support for CIDs and municipalities

Institutional support	CIDs	Municipalities
Financial support	General and special assessments, recreation fees—insurance proceeds in some situations	Taxes, fees, bonds, intergovernmental transfers and grants in aid
Bankruptcy	Extremely risky—owners ultimately responsible for paying debts of corporation	Chapter 9 of Bankruptcy code allows restructuring of debt
Training for community leaders	None required; expensive	Offered by national league of cities and other organizations
Professional support	Largely unregulated vendors organized through Community Associations Institute	Public Administration profession; academic journals; national and state level organizations
Government oversight	Minimal—judicial review in private litigation	Substantial
Media and public scrutiny of internal activities	Minimal—limited to colorful controversies—flags, pets, religious symbols, etc.	Substantial
Public availability of data on activities and finances	Almost nonexistent	Freedom of Information Act; sunshine laws; public availability of voluminous data

LIST OF RECENT STATE TASK FORCES

COLORADO - [HB1105](#) ENACTED 2023 | ACTIVITY 2023 - 2024

[Colorado DORA DRE Homeowner Satisfaction Survey](#)

[HOA Homeowners' Rights Task Force Report + List of Considerations](#)

[HOA Homeowners' Rights Task Force Recommendations to the General Assembly](#)

GEORGIA - AD HOC - SENATE RULES SUBCOMMITTEE ON HOAS

[Sen. Matt Brass to Lead Senate Subcommittee on Homeowners Associations – Georgia Senate Press Office](#)

[HOAs in Georgia: the industry that profits off them gives lawmakers solutions to community complaints](#)

[Homeowners tell stories of distrust, fear and financial ruin as lawmakers look to improve HOA laws](#)

-  VIDEO: [Georgia Senate Subcommittee on HOAs](#) | October 22, 2024

-  VIDEO: [Georgia Senate Subcommittee on HOAs](#) | September 24, 2024


MINNESOTA: [HF5247](#) ENACTED 2024 | ACTIVITY 2024 - 2025

[Working Group on Common Interest Communities and Homeowners Associations](#)

NORTH CAROLINA: [HB311](#) ENACTED 2023 | ACTIVITY 2024

- [House Select Committee on Homeowners' Associations](#) (2023)
- [House Select Committee on Homeowners' Associations](#) (2011)
- [House Select Committee on Homeowners' Associations](#) (2009)
- [Committee on Dispute Resolution Options for Homeowners, Associations and Governing Entities](#) (2017)

The [matrix linked below](#) compares and contrasts COC state legislation.

		This is a non-exhaustive, work in progress summary of state legal requirements for condominiums and HOAs. Click icons to view linked citations. Limited comments at right. VIEW State Statute Database & Matrix N.B. Nonprofit corporation statutes often supplement community association-specific laws, but are NOT not consistently included below.																														
		LEGEND >>> ● = All CICs 🏠 = Condos 🏡 = Legacy Condos 🏢 = Co-Ops (mostly not captured below) 🏠 = HOAs 🏠 = TX Mixed POAs 🟢 = Nonprofit Corp. 📄 = Other State Law 📄 = Admin. Code 📄 = Case Citation 📄 = New Law Pending																														
		Open Board Meetings Virtual Board Meetings Notice for Board Meetings Meeting Audio & Video Recording Board Action without a Meeting Board Executive Session Board Meeting Materials Members' Meetings - General Members' Meetings - Quorum Records & Disclosure Fines / Violation Penalties Elections, Candidate Nominations Ballots, Proxies, Voting Other Election Rules, etc. Free Speech & Anti-SLAPP Garbage, Recycling, Compost Gardens, Landscaping Leasing Rule-Making Reserve Fundraising Reserve Fund Handling Reserve Accounts & Reserve Study Liens & Foreclosure Priority of Payment Res...																														
STATE	#	Board Meetings										Elections					Powers & Regulatory Authority					Reserves										
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Louisiana (LA)	26	🏠	🏠	🏠	🏠		🏠	🏠	🏠	🏠	🏠	🏠	🏠	🏠	🏠	🏠	🏠					🏠	🏠	🏠	🏠	🏠	🏠	🏠	🏠	🏠	🏠	
Maine (ME)	22	🏠	🏠	🟢			🟢				📄	📄	📄	📄	📄	📄	📄	📄	📄	📄	📄	📄	📄	📄	📄	📄	📄	📄	📄	📄	📄	
Maryland (MD)	29	🏠	🏠	🏠	🏠	🏠		🏠			🏠	🏠	🏠	🏠	🏠	🏠	🏠	🏠	🏠	🏠	🏠	🏠	🏠	🏠	🏠	🏠	🏠	🏠	🏠	🏠	🏠	
Massachusetts (MA)	15										🟢	🟢	🏠			🏠		🟢	🟢					🏠	🏠	🏠	🏠	🏠	🏠	🏠	🏠	
Michigan (MI)	14		🟢	🟢			🟢						🏠	🏠	🏠	🏠						🏠			🏠		🏠					
Minnesota (MN)	21	●	●	🟢			🟢	●			📄	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
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Missouri (MO)	17		🟢	🟢			🟢				🏠	🏠	📄	🏠	🏠		🏠	🏠	🏠			🏠									🏠	
Montana (MT)	5		🏠									🏠			📄							📄										
Nebraska (NE)	9										🏠	🏠	📄			🏠																

[DORA's HOA Homeowner Rights' Task Force Satisfaction Survey](#)

Multiple Surveys & Statistics

