



MONTGOMERY VILLAGE FOUNDATION, INC.

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Senator William C. Smith, Jr., Chairman
Judicial Proceedings Committee
2 East Miller Senate Office Building
Annapolis, MD 21401

Re: **Support of SB0464**
Real Property – Condominiums - Assessments

Dear Chairman Smith and Members of the Committee:

On behalf of the Montgomery Village Foundation, Inc. (MVF) I am writing to express our **support** for the provisions set forth in **SB0464** to extend the authority of a condominium board of directors in setting an annual assessment. Most fundamentally, MVF asks the Committee to recognize the increasingly difficult task of properly managing and caring for communities that volunteer boards of directors face. The ability to set an appropriate and fair annual assessment is a key component of these boards fulfilling their fiduciary duty to the community.

There are many condominiums across the state whose Master Deeds, by-laws, or other governing documents contain provisions requiring a Council of Co-Owners (all unit owners) to approve the annual assessment for the Condominium. Without this vote and passage of a proposed assessment, the previous year's assessment stands. Unfortunately, with the rising costs of materials, labor, and service contracts, limiting an assessment to the same as the previous year also limits the services that a Condominium can provide for its owners. When this trend happens year-over-year, the board of directors is forced to reduce routine maintenance, upkeep, and services to the detriment of the Condominium. As a management agent for several condominiums within our planned community, MVF has experienced this trend first-hand.

Senate Bill 0464 will provide condominium boards who are hampered by the existing governing document provision the ability to pass a proposed assessment increase up to 5% (excluding Reserves)—a nominal amount—even if the Council of Co-Owners does not vote in favor, allowing the board to perform its fiduciary duty to maintain the community they call home.

The volunteer condominium boards are elected by the residents, and act in good faith on behalf of the condominium to maintain safety and property standards. This legislation supports a condominium board's ability to properly set annual assessments to accomplish this goal, and therefore, **MVF supports SB0464.**

Sincerely,

A handwritten signature in blue ink, appearing to read "Michael N. Conroy". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Michael N. Conroy
Executive Vice President

Cc: MVF Board of Directors
Christopher Hitchens, MVF General Counsel
Karen Kodjanian, MVF Assistant Executive Vice President