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February 5, 2025

Senator William C. Smith, Jr., Chair
Senator Jeff Waldstreicher, Vice Chair
2 East Miller Senate Office Building
Annapolis, Maryland 21401

Re: Senate Bill 0464
Real Property – Condominiums – Assessments
Hearing Date: February 6, 2025 1:00 p.m.
Position: Oppose

Dear Chair Smith, Vice Chair Waldstreicher, and Members of the Judicial Proceedings 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.

We write on behalf of the Maryland residents statewide who reside in condominiums to oppose the above-referenced legislation, which is scheduled for hearing before your Committee on Thursday, February 6, 2025, at 1:00 p.m.

Page 2, Senate Bill 0464
Community Associations Institute

SB 0464 as currently written sets a cap of 5% on increases to annual condominium assessments that can be adopted by the Board of Directors. Such cap places an artificial ceiling on expenses that condominiums across the state must pay. For example, during the past few years, condominiums have experienced insurance, utility, supply, and vendor costs that well exceed the proposed 5% annual cap. With such a cap, these condominiums would not be able to afford any of these necessary expenditures. CAI has studied this issue and more than thirty years ago adopted a Public Policy opposing assessment caps. Specifically, CAI has determined that

Assessment increases should be based upon a board of directors' prudent estimate of the funds necessary to meet anticipated expenses for the benefit of its association. The board, not a third-party public or governmental agency, has the fiduciary obligation and is in the most informed position to manage the finances of its own private community.

A copy of CAI's full Public Policy on assessment caps can be found at:
<https://www.caionline.org/advocacy/public-policies/assessment-increase-limitations/>

Accordingly, the MD-LAC **OPPOSES SB0464** and urges the Committee to vote against it. Thank you for your time and attention to this important matter.

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, or MD-LAC Members Julie Dymowski at 202-659-6795 or by email at jdymowski@wtplaw.com, or Vicki Caine at vcaine1@gmail.com.

Sincerely,

Julie Dymowski

Julie Dymowski, Esquire
Member, CAI MD-LAC

Vickie Caine

Vicki Caine
Chair, CAI MD-LAC