

HB 303 Crossover Letter of Support.pdf

Uploaded by: Karen Straughn

Position: FAV

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**STATE OF MARYLAND
OFFICE OF THE ATTORNEY GENERAL
CONSUMER PROTECTION DIVISION
MEDIATION UNIT**

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March 27, 2025

To: The Honorable William C. Smith, Jr.
Chair, Judicial Proceedings Committee

From: Karen S. Straughn
Consumer Protection Division

Re: House Bill 303 – Real Property – Regulation of Common Ownership Community
Managers (SUPPORT)

The Consumer Protection Division of the Office of the Attorney General submits the following written testimony in support of House Bill 303 submitted by Delegates Marvin E. Holmes, Jr., et al. This bill provides for the registration, licensing and regulation of common ownership community property managers by the Department of Labor.

Many common ownership communities are run by volunteer boards of directors with little or no experience running a business. Often, they rely upon property management companies to assist them in complying with the laws governing the associations and in collecting and using association funds in a fiscally responsible manner. As a result, it is important to ensure that the education, knowledge, and integrity of the property managers providing these services meet certain minimum standards. By imposing requirements for education and licensing of property managers, the legislature would protect thousands of citizens who reside in these communities and help to ensure that these communities are financially sustainable.

In the past, there have been property management companies that have misappropriated large sums of money from the communities they manage. Many have heard the horror stories of Legacy Management and the devastating impact its unscrupulous acts had on the communities it managed. In July of 2019, the Consumer Protection Division settled with another property

management company that misappropriated over \$2 million dollars from homeowners and condominium associations, affecting over 1,500 individuals. As recently as January of 2024, the Consumer Protection Division filed an action against another property management company for charging improper late fees to the associations they managed. In addition, in 2023, a class action lawsuit was filed against another property management company for overcharging residents in violation of the statutes governing common ownership communities, which settled for \$600,000. The damage that may be caused by unscrupulous or uneducated property managers clearly outweighs the costs to implement the procedures to register, license and regulate these entities.

We appreciate that the bill allows for initial funding to begin operation of the board, as well as the authority to adopt regulations that will be promulgated to support the ongoing operation of this important program.

For these reasons, we ask that the Judicial Proceedings Committee return a favorable report on this bill.

cc: The Honorable Marvin E. Holmes, Jr.
The Honorable Nick Allen
The Honorable Regina T. Boyce
The Honorable Debra Davis
The Honorable Anne Healey
The Honorable Robbyn Lewis
The Honorable Sheila Ruth
The Honorable Jen Terrasa
Members, Judicial Proceedings Committee

HB303 Sylvia Bailey

Uploaded by: Sykvia Bailey-Charles

Position: FAV

My name is Sylvia Bailey-Charles. I am a resident and owner of Burnt Mills Condominiums in Silver Spring, Maryland in the White Oak community. Burnt Mills consists of 108 Townhomes in a beautiful community that sits between Columbia Pike and Lockwood Drive on Oakleaf Drive. We function as condominiums because we share water, gas, and common areas. The community was established in 1968. In spite of its beauty, the community needs plenty of work to ensure its survival for another 50 years. I served on the board of directors for 10 years. I ended my service in November 2024.

I am concerned about the community and our ability to survive financially for the next 50 years. We've had management companies that on some occasions do not serve the interests of the entire community. There is an inability to push back on board members when they can see members are attempting to vote on items that may go against the bylaws or Maryland State laws. Being a member of the board has been a learning process for all owners. We all attended the training, but that does not make us experts at managing the community's finances and catching violations ranging from large owner delinquencies, to illegal structures, and more. We have owners whose home should be placed on Sheriff Sales right now, but board members are attempting to please owners who voted for them by not enforcing the rules. Good owners are paying for delinquent owners. We have many capital projects that need to be started. The newest board said they collected a signed petition from owners to override the original 2025 budget vote on by the previous board. The community and the newest board decided not to increase assessments. There has been no increase in many years. Since when do owners sign a petition to override a budget that is approved by a board? The management company allowed this move forward. The signed petition has never been shared with the greater community. I asked the management company for the petition, but it never materialized.

Over the last two months, I had to send multiple emails to the property management company to request a copy of the association's reserve account bank statement. I was told I'm no longer on the board and I can't have it. I explained to the manager that I am an owner. I am entitled to know what's in the account. After posting an unfavorable Google customer review, I received one statement. I requested statements for December, January and February with earned interest and any withdrawals. The financial reports, posted by the company, are never accurate. Owners have a right to know which board members have access to our reserve bank accounts. One member should never have sole access to the bank account. When I joined the board in 2014, we approximately \$20,000 in the bank account. We had to get a loan to purchase a water heater or boiler. As of today, we have 40 times that amount in our reserves because previous board members demanded bank statements and took control from a property manager which was left on autopilot to manage our finances. In the past, we had members who were trained accountants, program managers and licensed real estate professionals on the board to help. Most of our owners do not have these backgrounds but everyone can be trained on what to look for.

Property management companies should be licensed, regulated and made to take continuing education classes the same as real estate agents. They should be fined in the same manner as real estate agents who commit crimes or violations. Presently, our management company has access to our operating funds and possibly reserves, if they collaborate with an unethical board member. We could lose all of our money we've saved. Burnt Mills is not protected by the state of Maryland at present. Many of the owner are elders. They will not survive, if we have a major catastrophe in our community. Many owners do not know their rights. They believe the management company is the sole driver of the community. Most owners only show up to meetings when we tried to increase condo assessments, paint the community or install security cameras (which they hated).

Sorry to ramble. I wanted to send you my thoughts before today's hearing. Burnt Mills is a beautiful community with lots of potential for homeowners.

• Thank you for your time and attention.

Sylvia Bailey-Charles

Owner

Burn Mills Townhome Condominiums

testimony HB 303.pdf

Uploaded by: Jim Lieberman

Position: FWA

Board of Directors
Leisure World Community Corporation
3701 Rossmoor Boulevard
Silver Spring, MD 20906

**POSITION OF THE LEISURE WORLD COMMUNITY CORPORATION
ON MARCH 27, 2005
BEFORE THE SENATE JUDICIAL PROCEEDINGS
HB 303 – REAL PROPERTY-REGULATION OF COMMON OWNERSHIP COMMUNITY MANAGERS
FAVORABLE WITH AMENDMENTS**

Honorable Chair William C. Smith, Vice-Chair Jeff Waldstreicher, and Members of the Senate Judicial Proceedings Committee:

This testimony is being submitted on behalf of the Leisure World Community Corporation. Leisure World is a senior (55+) adult community in Silver Spring Maryland, located on 610 acres. Leisure World has 29 Mutuels made up of 27 condominiums, 1 cooperative, and 1 home owner association. More than 8500 residents live in Leisure World.

HB 303 establishes a State Board of Common Ownership Community Managers to regulate the common ownership community. In our view this establishes an unnecessary regulatory regime that provides for licensing of common ownership community managers. Establishing the state board of common ownership community managers will initially cost the state at least \$100,000 and thereafter charge fees that will be paid by unit owners.

Only eight states require community association manager licensing. Colorado no longer requires licensing. Virginia does require licensing but a report from the Joint Legislative Audit and Review Commission recommended repealing the licensure requirements for community association managers.¹ Licensing community managers (i.e., property managers who provide management services to common ownership communities) may provide homeowner and condominium associations with assurance that the managers meet qualification standards, but the same assurance is available through existing national certifications. For example, the Community Association Institute (CAI) and the Institute for Real Estate Management (IREM).

It is noteworthy that Section 5 of the bill adopts that view in that it provides until the Board has established training and examination requirements, passing “ a nationally prepared and administered standardized examination for the community association management profession “ meets the licensing requirements.

¹ <https://jlarc.virginia.gov/pdfs/reports/Rpt509.pdf> at page 20.

Licensing of community managers is not needed to remove bad players from the business. Federal and State laws already provide for criminal prosecution for crimes such as fraud and embezzlement. The \$2 million fidelity bond required in HB 303 is duplicative since Maryland Law already requires the associations to fully cover their funds with a fidelity insurance covering community managers.

Leisure World recommends that the language in this bill be amended to require that community managers undergo training and certification by professional associations that are nationally and internationally recognized for the training and certification of professional community managers. Examples of such organizations include: Community Association Institute (CAI) and the Institute for Real Estate Management (IREM). Both of these professional organizations provide training courses and testing leading to certifications of community managers.

Such an amendment to the proposed Bill would spare communities such as Leisure World from incurring the expense and inconvenience of having its community managers which are called property managers devote their time to training when they have already trained and certified by the top professional associations in the field. Moreover, it will reduce expenditures that the state can not afford. It will also reduce housing costs as in the end analysis the unit owners will need to pay the fees for their property managers.

Accordingly, Section 5 should be amended to read:

SECTION 5. AND BE IT FURTHER ENACTED, That: 3

(a) ~~Until the time that the State Board of Common Ownership Community Managers adopts regulations concerning the training and examination requirements for an applicant for a license or a limited license under this Act passing~~ **PASSING** an examination that meets the requirements listed in subsection (b) of this section shall be deemed adequate for satisfying the requirements of § 22–302(c) or § 22–402(c) of the Business Occupations and Professions Article, as enacted by Section 2 of this Act.

(b) The examination specified under subsection (a) of this section shall be:

- (1) a nationally prepared and administered standardized examination for the community association management profession; and
- (2) developed according to the basic principles of professional testing standards that utilize psychometric measurement.

This amendment will give applicants a choice of seeking either state licensing or professional certification. Common ownership communities can then decide the qualifications that the community desires of its community managers.

Leisure World is the largest common ownership community in Montgomery County. It has extensive experience with community/property managers. The Leisure World property managers are employees of the Leisure World of Maryland Corporation (LWMC). LWMC is owned by the Leisure World Community Corporation (LWCC) a non-stock corporation governed by a board of directors. The members of the LWCC are the unit owners of the 29 common ownership communities and thus are the owners of the LWCC. The property managers of the LWMC only provide management services to the Leisure World

community as such they fit squarely into the exception of 22-102(8). The property managers at Leisure World are professionals successfully managing numerous buildings in our common ownership community. They are trained and certified by national organizations. Leisure World consistent with the above requested amendment would continue such training and certifications.

For the above reasons, Leisure World requests amendments to HB 303.

Respectfully submitted,

Patricia Hempstead

Chair of the Board of Directors
Leisure World Community Corporation

HB303 Manager Training 2025 CAI JPR OPPOSE.pdf

Uploaded by: Brenda Wakefield

Position: UNF

Vicki Caine, Chair
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Susan Saltsman, CMCA, AMS, Member
Scott Silverman, Esq., Member
Ellen Throop, Esq., Member
Tricia A. Walsh, CISR, Member

March 25, 2025

will.smith@senate.state.md.us

jeff.waldstreicher@senate.state.md.us

Senator William C. Smith, Jr., Chair
Senator Jeff Waldstreicher, Vice Chair
2 East Miller Senate Office Building
11 Bladen Street
Annapolis, MD 21401

RE: HB303
Regulation of Common Ownership Community Managers
Hearing Date: March 27, 2025 – 1:00 p.m.
Position: Oppose

Dear Chairman Smith, Vice-Chair Waldstreicher, and Members of the Judicial Proceedings Committee:

The Community Associations Institute's Maryland Legislative Action Committee (MD LAC) HAS worked since 2021 with Del. Homes on "Regulation of Common Ownership Community Manager". The bill was reintroduced this year as HB303. In its current form, it is in direct conflict with the Community Association Institute's National Public Policy. The basis of the opposition is that the requirements create an onerous barrier to entry into the community management industry and have a "meaningful" financial impact on small business. Ultimately, this financial burden is passed on to our client associations to cover the direct fees through increased management fees to cover licensing, bonding and educational requirements. Therefore, the MD LAC is bound to oppose the legislation.

CAI advocates for industry-developed professional certifications or designation programs for community managers so they can self-regulate. CAI supports a system that incorporates protections for homeowners, mandatory education and testing on fundamental community association management knowledge, standards of conduct, and appropriate insurance requirements.

CAI provides seven different [professional credential opportunities](#) for community association professionals, ranging from community manager (AMS, PCAM, LSM, AAMC), to insurance and

Maryland Legislative Action Committee
Post Office Box 6636
Annapolis MD 21401

risk management (CIRMS), reserve specialists (RS), and attorney (CCAL). These credentials recognize a professional's achievements in the community association industry. Our industry is expanding, and communities need credentialed professionals to safeguard and empower the financial wellbeing, physical maintenance, and social harmony of community associations. Mandating licensing, rather than simply allowing for the industry to train board members via professional credentialing courses, creates unnecessary barriers to entry into the profession; especially for populations such as immigrants with work authorization, individuals with criminal records, low-income, unemployed, and dislocated workers, as well as veterans and military spouses. These barriers include application costs, finding time during a workday to take classes before even being able to enter a profession, the need to find childcare or care for an adult family member while taking a mandatory exam or class, potentially obtuse examination questions, and renewal costs.

CAI notes that only eight states continue to require community association manager licensing after Colorado allowed its law to sunset in 2019, and several of these states have considered letting these programs sunset. Colorado's governor noted at the time that the use of further taxpayer funds was not justified, as licensing did not achieve the desired result of removing bad players from the business. Federal and State laws already provide for criminal prosecution for crimes such as fraud and embezzlement with much more potent remedies. Maryland Law already requires that associations; funds be bonded, in line with best practices. The \$2 million fidelity bond required in HB 303 is duplicative since Maryland Law already requires the associations to fully cover their funds with a fidelity insurance bond naming the manager.

The 2024 fiscal note states, "Small Business Effect: As noted above, small business expenditures increase by at least \$850 for required licenses, as well as potentially significant costs associated with board-approved training and required exams or attaining specified professional credentialing."

While there are community association owners in favor of licensing managers to raise the standard of managers and provide remedies for illegal acts, because they feel that it offers them a level of protection, the need for these protections that have failed to materialize in other states. When Community Association boards and members learn that the cost of license fees and renewal fees, cost of mandatory manager education, loss of productivity from time off for education and administrative costs will ultimately be passed down to them in the form of higher management fees, they overwhelmingly change their opinion on the need for licensure.

For these reasons, we oppose manager licensing as proposed in HB303. Thirty-nine (39) messages were sent by thirty-nine (39) of the Committee's own constituents in opposition to HB 303. We are available to answer all questions the Committee Members may have. Please do not hesitate to contact Lisa Harris Jones, CAI MD-LAC lobbyist, at 410-366-1500 or by email at lisa.jones@mdlobbyist.com or Vicki Caine, CAI MD LAC Chair, by email at vcaine1@gmail.com or Brenda Wakefield, CAI MD LAC Secretary, AMS at 410-703-8688 or by email at brenda.wakefield@wamcs.com

Sincerely,

Brenda Wakefield

Brenda Wakefield
Secretary, CAI MD-LAC

Vicki Caine

Vicki Caine
Chair, CAI MD-LAC

cc. Hon. Delegate Marvin Holmes

Maryland Legislative Action Committee
Post Office Box 6636
Annapolis MD 21401

CAI is a national organization dedicated to fostering vibrant, competent, harmonious community associations for more than thirty years. Its members include community association volunteer leaders, professional managers, community management firms, and other professionals and companies that provide products and services to common interest associations. As part of its mission, CAI advocates for legislative and regulatory policies that support responsible governance and effective management. As part of this purpose state Legislative Action Committees represent CAI members before state legislatures and agencies on issues such as governance, assessments collection, insurance and construction defects.

***Maryland Legislative Action Committee
Post Office Box 6636
Annapolis MD 21401***

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Uploaded by: Gary Simon

Position: UNF



March 21, 2025

The Honorable William C. Smith, Jr., Chair
Senate Judicial Proceedings Committee
2 East Miller Senate Office Building
Annapolis, MD 21401

Subject: Opposition to HB 303 – Regulation of Common Ownership Community Managers

Dear Chair Smith, Jr., Vice-Chair Waldstreicher, and Members of the Committee:

On behalf of Comsource Management, inc. and our hundreds of Maryland-based employees, I am writing to respectfully oppose HB 303, the Regulation of Common Ownership Community Managers. While we appreciate the intent of this legislation, the unnecessary costs that would be borne by homeowners throughout the state would not provide any meaningful or tangible benefits or protection.

Should this bill pass, the financial stress and burden placed on homeowners across our entire state could be catastrophic to many communities. The costs associated with establishing and then maintaining a regulatory panel such as this and the fees associated with the manager licensing component will certainly be passed on to the end consumer, the individual homeowner. In a time where the cost of housing is a very real concern for many across the state, this is a significant concern to us and those we serve.

For over 50 years, Comsource has had the privilege of serving thousands of homeowners statewide. Currently, we represent 138 communities and nearly 130 employees including 25 community association managers who strive to provide excellent service to every life they touch. Introducing burdensome and costly regulations to this will not only significantly increase the financial commitments of the communities we serve, but it will also certainly affect our ability to cultivate and retain the caliber of professionals that our industry requires.

We feel that it is important to point out that homeowners in Maryland are overwhelmingly satisfied with their community leadership and HOA service. According to national studies, the vast majority of homeowners who live in common ownership communities view their association positively, appreciating the structure and services these communities provide. Rather than imposing costly and unnecessary regulations, lawmakers should focus on policies that support affordability and strengthen the successful frameworks already in place.

For all of the above reasons, I respectfully urge you to oppose HB303 and issue an unfavorable report. I appreciate your time and consideration.

Sincerely,

Gary M. Simon, CMCA, AMS, PCAM
Comsource Management, Inc.

CMC PAC letter HB 303 Manager Licensing .pdf

Uploaded by: John Tsitos

Position: UNF



March 25, 2025

The Honorable William C. Smith, Jr., Chair
Judicial Proceedings Committee
2 East Miller Senate Office Building
Annapolis, Maryland 21401

Subject: Opposition to HB 303 – Regulation of Common Ownership Community Managers

Dear Chair Smith, Vice Chair Waldstreicher and members of the Committee,

On behalf of our management firm employees, I am writing to express our strong opposition to HB 303, which seeks to establish a new state regulatory board for licensing common ownership community managers. While I appreciate the intent of the bill, its implementation would create unnecessary costs for homeowners while failing to provide meaningful consumer protection.

If passed, this bill would impose substantial financial burdens on community managers as well as homeowners across Maryland. The costs associated with creating and maintaining this regulatory board, as well as the licensing fees for managers, will inevitably be passed down to the homeowners we manage raising their housing costs at a time when affordability is already a major concern.

For over 50 years, Community Management Corporation and for over 20 years Select Community Services has proudly served over 140 communities in Maryland, supporting over 150 employees, including 12 community managers and 10 onsite General Managers who work diligently to ensure the best possible service for these communities. The introduction of unnecessary and costly regulations would not only create additional financial pressures on these employees and the communities they manage and could also result into an obstacle to attract and retain qualified professionals in our association management industry.

Additionally, through our Google reviews received, homeowners in Maryland are overwhelmingly satisfied with their HOA experience. According to national studies, the vast majority of homeowners who live in common ownership communities view their association positively, appreciating the structure and services these communities provide. Rather than imposing costly and unnecessary regulations, we ask that lawmakers focus on policies that support affordability and strengthen the successful frameworks our industry already provides.

For these reasons, I respectfully urge you to oppose HB 303 and issue an unfavorable report. Thank you for your time and consideration.

Sincerely,

John Tsitos

John Tsitos, CMCA®, AMS®, PCAM®
Branch President

SCS PAC letter HB 303 Manager Licensing .pdf

Uploaded by: John Tsitos

Position: UNF



Associa® Select Community Services

March 25, 2025

The Honorable William C. Smith Jr., Chair
Judicial Proceedings Committee
2 East Miller Senate Office Building
Annapolis, Maryland 21401

Subject: Opposition to HB 303 – Regulation of Common Ownership Community Managers

Dear Chair Smith, Vice Chair Waldstreicher, and members of the Committee,

On behalf of our management firm employees, I am writing to express our strong opposition to HB 303, which seeks to establish a new state regulatory board for licensing common ownership community managers. While I appreciate the intent of the bill, its implementation would create unnecessary costs for homeowners while failing to provide meaningful consumer protection.

If passed, this bill would impose substantial financial burdens on community managers as well as homeowners across Maryland. The costs associated with creating and maintaining this regulatory board, as well as the licensing fees for managers, will inevitably be passed down to the homeowners we manage raising their housing costs at a time when affordability is already a major concern.

For over 20 years Select Community Services has proudly served over 70 communities in Maryland, supporting over 50 employees, including 28 community managers who work diligently to ensure the best possible service for these communities. The introduction of unnecessary and costly regulations would not only create additional financial pressures on these employees and the communities they manage and could also result into an obstacle to attract and retain qualified professionals in our association management industry.

Additionally, through our Google reviews received, homeowners in Maryland are overwhelmingly satisfied with their HOA experience. According to national studies, the vast majority of homeowners who live in common ownership communities view their association positively, appreciating the structure and services these communities provide. Rather than imposing costly and unnecessary regulations, we ask that lawmakers focus on policies that support affordability and strengthen the successful frameworks our industry already provides.

For these reasons, I respectfully urge you to oppose HB 303 and issue an unfavorable report. Thank you for your time and consideration.

Sincerely,

John Tsitos

John Tsitos, CMCA®, AMS®, PCAM®
Branch President

P.O. Box 221350 Chantilly, Virginia 20153-0821 Telephone 703.631.2003 Fax 703.266.2804

Email info@scs-management.com Web www.scs-management.com

Associa® | The nation's leader in community association management | www.associaonline.com | 800.808.4882

AAMC
ACCREDITED ASSOCIATION
MANAGEMENT COMPANY

Associa Letter opposing MD HB 303 JPR.pdf

Uploaded by: Lee Greenwood

Position: UNF



March 27, 2025

The Honorable William C. Smith, Jr., Chair
Judicial Proceedings Committee
2 East Miller Senate Office Building
Annapolis, Maryland 21401

Dear Chair Smith, Vice-Chair Waldstreicher, and Members of the Committee:

On behalf of Associa and our hundreds of Maryland-based employees, I am writing to respectfully oppose **HB 303, the Regulation of Common Ownership Community Managers**.

The legislation seeks to create an entirely new state regulatory board to license managers of community associations. The effect of this would be to raise housing costs for the nearly 1.1 million Marylanders who live in an association of one form or the other.¹ The last thing we should be doing is raising the costs for homeowners and finding ways to make it harder for people to stay in their homes, or to find housing in the first place. Unintentionally, that is exactly what will happen if this bill becomes law.

The numerous fees and budgetary appropriations called for in the legislation will be passed on to residents throughout Maryland. Just as important, the intended benefits have been shown, time and again, to be absent from regulation like this. That is exactly why only 8 states currently regulate community association managers and why Colorado recently repealed its licensing requirements. Similarly, in Virginia, a 2018 report from the Joint Legislative Audit and Review Commission found that “Community managers...pose little risk to the public if left unregulated.”² The report went on to recommend repealing the licensure requirements for community association managers.

On the national level, the Obama administration examined this issue and found that the data does not support the claim that occupational licensure improves the services of the regulated profession. It also concluded that public health and safety were not improved by licensure, the main argument used to justify licensure in the first place.³

As with previous iterations of this legislation, we appreciate that the proposed makeup of the contemplated board is well-balanced and would be filled with professionals experienced in our industry. We appreciate Delegate Holmes’ commitment to working with our industry and we welcome the opportunity to continue to work collaboratively with him and the other members of the committee.

¹ Community Associations Institute 2020-2021 U.S. National and State Statistical Review.
https://foundation.caionline.org/wp-content/uploads/2021/07/2021StatsReview_Web.pdf

² Report to the Governor and General Assembly: Operations and Performance of the Department of Professional and Occupational Regulation. 2018. <http://jlarc.virginia.gov/pdfs/reports/Rpt509.pdf>

³ Occupational Licensing: A Framework for Policymakers. The White House (prepared by the Department of the Treasury Office of Economic Policy, the Council of Economic Advisors, and the Department of Labor). July 2015.
https://obamawhitehouse.archives.gov/sites/default/files/docs/licensing_report_final_nonembargo.pdf

Associa has been working in the community association management space in Maryland for over 3 decades, managing nearly 85,000 units in more than 200 communities across the state. The market here is vibrant and the last thing we should be doing, especially at this precarious moment, is enacting barriers that will raise housing costs for the state's 1+ million association residents. Given all of this, **we respectfully ask that you oppose HB 303 and issue an unfavorable report.**

5401 North Central Expressway, Suite 290 | Dallas, TX 75205 | 214-272-4078

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L-HB 303 LN v2.pdf

Uploaded by: MARC MCCOY

Position: UNF



March 24, 2025

The Honorable William C. Smith, Jr, Chair
Judicial Proceedings Committee
2 East Miller Senate Office Building
Annapolis, Maryland 21401

Subject: Opposition to HB 303 – Regulation of Common Ownership Community Managers

Dear Chair Smith Jr, Vice-Chair Waldstreicher, and Members of the Committee,

I am writing to express my strong opposition to HB 303, which seeks to establish a new state regulatory board for licensing common ownership community managers. While I appreciate the intent of the bill, its implementation would create unnecessary costs for homeowners while failing to provide meaningful consumer protection.

If passed, this bill would impose substantial financial burdens on homeowners across Maryland. The costs associated with creating and maintaining this regulatory board, as well as the licensing fees for managers, will inevitably be passed down to homeowners—raising housing costs at a time when affordability is already a major concern.

Legum & Norman proudly serves 89 communities in Maryland, supporting over 251 employees, including 20 community managers who work diligently to ensure the best possible service for these communities. The introduction of unnecessary and costly regulations would not only create additional financial pressures on these communities but could also make it harder to attract and retain qualified professionals in our industry.

Additionally, homeowners in Maryland are overwhelmingly satisfied with their HOA experience. According to national studies, the vast majority of homeowners who live in common ownership communities view their association positively, appreciating the structure and services these communities provide. Rather than imposing costly and unnecessary regulations, lawmakers should focus on policies that support affordability and strengthen the successful frameworks already in place.

For these reasons, I respectfully urge you to oppose HB 303 and issue an unfavorable report. Thank you for your time and consideration.

Sincerely,

Marc B. McCoy, CMCA ®
President

HB303 - TESTIMONY - KCTHA2 HOA - OPPOSED.pdf

Uploaded by: Sonia Socha

Position: UNF

HB303 - REGULATION OF COMMON OWNERSHIP MANAGERS

TESTIMONY

SONIA SOCHA, VP/TREASURER

KCTHA2 HOA, BALTIMORE COUNTY, STATE DISTRICT 8

KCTHA2 IS OPPOSED to this bill as currently written.

The certification process should apply to the management company and not a manager employed by a managing company. Licensing and limited licenses should be borne by the management company employing the manager. To have fidelity bond coverage and other insurance on an individual basis is pointless and a waste of valuable resources. The passage of this bill could lead to early retirements of experienced managers.

KCTHA2 has a very experienced manager and we along with many other HOA and Condo groups would be losing his years of expertise and experience if this bill passes in its current format. We are sure our property manager would retire. Managers throughout the state could quit, retire, or move on to other jobs leaving a gap in experience and important need.

This bill is not about helping HOAs and Condo groups—it would hurt them. The cost for the certification process would ultimately be passed on to us.

The bill should be amended to make the certification process that of the company.

HB0303_MD Labor_Letter of Information.docx.pdf

Uploaded by: John Dove

Position: INFO

MARYLAND DEPARTMENT OF LABOR LETTER OF INFORMATION ON HB 303.

TO: Senate Judicial Proceedings Committee
FROM: Maryland Department of Labor
DATE: March 27, 2025
BILL: HB 303 Real Property - Regulation of Common Ownership Community Managers

HB 303 creates a new state regulatory board to license managers of community associations. Under the proposed legislation, the Board of Common Ownership Community (COC) Managers (the “Board”) must charge fees set to approximately cover both the direct and indirect costs of fulfilling its statutory and regulatory duties and may set those fees by regulation.

When examining comparable board structures, the Department reviewed the operational and fiscal requirements of the Maryland Real Estate Commission (MREC). The Department advises that it will require similar staff and resources to MREC to operationalize the new COC Board. However, due in part to unverifiable estimates of the number of community managers in operation in Maryland that would require licensing under this proposal, the Department is unable to independently verify to what extent, if any, a higher level of staffing and associated costs is necessitated beyond that of MREC.

For questions, please contact Andrew Fulginiti, at **Andrew.Fulginiti@maryland.gov**