



MONTGOMERY VILLAGE FOUNDATION, INC.

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February 25, 2026

Delegate Kriselda Valderrama, Chair
Economic Matters Committee
230 Taylor House Office Building
Annapolis, MD 21401

RE: Opposition to HB 1577 – Common Ownership Communities – Common Areas – Alterations and Improvements

Dear Chair Valderrama and Members of the Committee:

On behalf of **Montgomery Village Foundation, Inc.** ("MVF"), a Maryland nonprofit 501(c)(4) organization that has provided community management and recreational services to the residents of Montgomery Village in Montgomery County since 1966, we respectfully submit this letter in **OPPOSITION** to House Bill 1577.

MVF manages more than 50 parks, recreational facilities, and pools across one of Maryland's largest planned communities, serving thousands of homeowners and residents. Responsible stewardship of these common areas—including routine repairs, necessary upgrades, and thoughtful improvements—is central to our mission and to maintaining the quality of life that makes Montgomery Village a desirable place to call home.

I. What HB 1577 Would Require

Introduced by Delegate Ross and assigned to the House Economic Matters Committee, HB 1577 would add three new statutory provisions to Maryland law — Corporations and Associations §5–6B–23.3 (cooperatives), Real Property §11–108.3 (condominiums), and Real Property §11B–106.3 (homeowners associations) — each prohibiting a governing body from renovating, expanding, upgrading, or otherwise substantially altering common areas without the prior approval of a majority of members, unit owners, or lot owners in good standing.

The bill exempts only (1) ordinary maintenance or necessary repair or replacement of common areas, and (2) maintenance, repair, or replacement requests not exceeding \$1,000. Critically, the \$1,000 exemption applies solely to maintenance and repair work — it does not exempt renovations, upgrades, or expansions of any cost. A \$500 renovation project would require a full community vote; a \$50,000 emergency repair would not. The bill takes effect October 1, 2026.

II. The Bill Would Paralyze Routine Community Operations

A. Any Upgrade or Renovation — Regardless of Cost — Requires a Community Vote

The bill's most sweeping impact is that it imposes a community-wide vote requirement on any renovation, expansion, upgrade, or substantial alteration — with no cost minimum. The \$1,000 carve-out in the bill applies only to maintenance and repair work; it does not provide any relief for improvements. A \$200 amenity addition, a \$500 equipment upgrade, a modest aesthetic improvement — all would require a majority vote of every member in good standing before proceeding.

MVF's 2026 adopted budget includes **\$983,611 allocated for park repairs** and **\$1,193,197 for repairs to facilities and pools** across approximately **50 separate projects**. While routine repair and replacement work would be exempt, any project that involves an upgrade component — even an incidental one, such as replacing aging equipment with a modern equivalent — could be characterized as a “substantial alteration” triggering the vote requirement. Under HB 1577, the Foundation could face a community-wide vote before completing a significant portion of its planned capital work.

B. Achieving a Majority Vote of All Members in Good Standing Is Effectively Impossible

HB 1577 requires approval of a “majority of the lot owners in good standing” — meaning a majority of all eligible members, not merely a majority of those who choose to participate. Community associations routinely struggle to achieve even basic quorum for annual meetings. Voter participation in community association votes is typically low, often ranging from 10–15% even in contentious contests. Requiring an affirmative vote from a majority of the entire membership imposes a standard that is functionally impossible to meet for most projects.

MVF's Recreation and Parks department has assessed that, even for popular and widely supported projects such as pool renovations, sports courts, or playground upgrades, achieving a 50%-of-all-members threshold would be extremely difficult, time-consuming, and costly to administer—if achievable at all.

C. The Bill's Vagueness Creates Additional Confusion

HB 1577 does not clearly define what constitutes an “alteration” as distinguished from ordinary maintenance or repair. Consider these common scenarios that the bill leaves unresolved:

- Would replacing aging playground equipment with modern, safer equipment be an “alteration” requiring a vote?
- Would resurfacing a pool deck be a “repair” or a “significant alteration”?
- Would the addition of a bocce court or two picnic tables to an existing park constitute a “significant alteration”?

- Would the installation of solar panels on existing facilities—a sustainability investment that saves members money—require a membership vote?

This ambiguity would expose community associations to potential legal challenges over nearly every expenditure that happens to cross the \$1,000 threshold.

III. The Bill Would Prevent Community Adaptation and Modernization

One of the fundamental purposes of a community association is to maintain, improve, and adapt common areas to meet the evolving needs of residents. HB 1577 would effectively freeze communities in place. Projects that are necessary to keep parks and facilities safe, relevant, and compliant with modern standards—including ADA accessibility upgrades, energy efficiency improvements, and amenity additions that reflect residents' changing needs—would be blocked or indefinitely delayed if the 50% voting threshold cannot be achieved.

This is precisely the wrong outcome for Maryland's common ownership communities. Governing boards are elected by members, subject to member oversight, and responsible under Maryland law for the prudent management of community assets. Imposing an additional member-vote requirement on top of these existing accountability structures is redundant, burdensome, and contrary to the efficient governance that Maryland law already contemplates.

IV. The Administrative Burden Would Be Significant

Conducting a valid community-wide vote is neither simple nor cheap. It requires notice to all members, preparation and distribution of ballots, a defined voting period, collection and tabulation of results, and certification of the outcome. For associations that use third-party vendors for ballot administration, this can cost thousands of dollars per vote—before a single dollar is spent on the project itself. Multiplied across dozens of projects annually, the administrative costs alone would be substantial, consuming resources that would otherwise go directly to community improvements.

Furthermore, the delay inherent in conducting a community vote—even an expedited one—could prevent timely responses to safety concerns, weather-related damage, equipment failures, and other time-sensitive repair needs. The time needed to conduct a community-wide vote would necessarily also create and cause delays for contractors. A vote that could reasonably take months to conduct could be rendered moot due to contractor pricing. We cannot expect a contractor to give a quote and then wait months to be accepted.

V. Conclusion

MVF respectfully urges the Committee to oppose HB 1577. The bill, as currently written, is vague, impractical, and would severely hamper the ability of Maryland's community associations to responsibly manage and improve common areas for the benefit of their members. The existing framework of elected boards, annual budgets subject to member review, and existing Maryland law provides ample accountability without imposing an

unworkable and costly supermajority voting requirement on routine community operations.

We would welcome the opportunity to discuss our concerns further. Please do not hesitate to contact me at the information below.

Respectfully submitted,

A handwritten signature in blue ink that reads "Michael N. Conroy". The signature is fluid and cursive, with a long horizontal stroke extending to the right from the end of the name.

Michael Conroy, EVP

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