



Montgomery County

Office of Intergovernmental Relations

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HB 402

DATE: February 12, 2026

SPONSOR: Delegate Holmes, *et al.*

ASSIGNED TO: Environment and Transportation Committee

CONTACT PERSON: Leslie Frey

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POSITION: FAVORABLE WITH AMENDMENT (Department of Housing and Community Affairs)

Common Ownership Communities - Ombudsman Unit, Governing Document Database, and Local Commissions

House Bill 402 establishes a Common Ownership Community Ombudsman and an office reporting to the Attorney General to provide a review of complaints by members regarding final adverse decisions by the governing body or community manager of a common ownership community (COC) and referral to the local COC commission, if available. The Bill requires COCs to file association documents with the office of the Ombudsman, among other provisions. House Bill 402 supersedes local laws in Montgomery County and current Montgomery County COC commission structure with a set of requirements for local commissions to meet, including: commission membership; procedures; services provided to associations, including training and operational guidelines; database management for documents; and association governance/management.

Currently the State does not have an office charged with overseeing disputes between COCs and their members. Montgomery County and other jurisdictions within the State have commissions providing dispute resolution services, adjudication of disputes, and training resources. Under House Bill 402, COC associations and members in Montgomery County would be required to provide documents and work with the office of the State ombudsman in addition to the required reporting and procedures with the County. Conflicting judgments by the state and County on complaints would be possible. Additionally, the Montgomery County Commission on COCs currently aligns closely, but not exactly, with the requirements of the bill. Aligning completely with the provisions in House Bill 402 would be costly without clear advantages to COCs and their members. Montgomery County Department of Housing and Community Affairs, which houses the County's Commission on COCs, respectfully requests an amendment to House Bill 402 to exempt existing local commissions from the requirements of the bill to reflect the leadership and long history of administration of conflict resolution in these counties for COCs and their members.