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February 12, 2026

To: The Honorable Kriselda Valderrama
Chair, Economic Matters Committee

From: Karen S. Straughn
Consumer Protection Division

Re: House Bill 402 – Common Ownership Communities – Ombudsman Unit, Governing Document Database, and Local Commissions (LETTER OF CONCERN)

The Consumer Protection Division of the Office of the Attorney General submits the following written testimony expressing our concerns about House Bill 306 submitted by Delegate Marvin E. Holmes, Jr., et al. This bill provides for the Department of Housing and Community Development to house all of the governing documents for common ownership communities. It further creates an Ombudsman Unit within the Consumer Protection Division to review complaints filed against common ownership community and common ownership community managers or, in the alternative, distribute complaints to local commissions, made up of volunteers, to mediate and render decisions if local jurisdictions establish such commissions. Finally, it creates a reporting obligation on the part of the Consumer Protection Division concerning the number and types of complaints received as well as the dispositions of those complaints.

Over the past year, the Consumer Protection Division received just over 175 complaints from consumers having concerns about their associations. These complaints focused solely on statutory issues raised by the consumers, did not require a review of their governing documents in most cases, and were from various counties around the state. Presently, there is one county, Montgomery, which has a commission that hears complaints from consumers about their associations. While Prince George's County has a Commission on Common Ownership

Communities, that commission does not presently mediate complaints. While 175 may not seem to be a large number of complaints, they vary greatly in difficulty and are often time-consuming to resolve.

First and foremost, the Consumer Protection Division has concerns about adding the Ombudsman responsibilities without additional funding. In addition to the Ombudsman, who is required to be an attorney, the Division would require, at the very least, an Administrative Assistant to help process the complaints received. This bill also requires the Consumer Protection Division to publish information concerning common ownership communities on its website, but this would be duplicative of the efforts of the Department of Housing and Community Development, which is currently statutorily required to maintain a website about common ownership community laws. The bill further requires the Consumer Protection Division to “assist members in understanding rights and processes available to members under laws and regulations governing common ownership communities.” While the Division can and does provide consumer education for residents of common ownership communities, we cannot provide legal advice to individuals.

Finally, in addition to the difficulty in providing a comprehensive report based on the findings of the various counties, the bill has a July 1, 2026 effective date, which would be a herculean task to implement in light of the requirements of the bill. For these reasons, we wanted to advise the Economic Matters Committee of our concerns.

cc: The Honorable Marvin E. Holmes, Jr.
The Honorable Gabriel Acevero
The Honorable Regina T. Boyce
The Honorable Aaron A. Kaufman
The Honorable Aletheia McCaskill
The Honorable Gabriel M. Moreno
The Honorable Cheryl E. Pasteur
The Honorable N. Scott Phillips
The Honorable Kim Ross
The Honorable Gary Simmons
The Honorable Vaughn Stewart
The Honorable Sean A. Stinnett
The Honorable Karen Toles
The Honorable Jennifer White Holland
The Honorable Nicole A. Williams
The Honorable Greg Wims
Members, Economic Matters Committee