



Montgomery County

Office of Intergovernmental Relations

ROCKVILLE: 240-777-6550

ANNAPOLIS: 240-777-8270

HB 402

DATE: April 2, 2026

SPONSOR: Delegate Holmes, *et al.*

ASSIGNED TO: Judicial Proceedings

CONTACT PERSON: Leslie Frey

(leslie.frey@montgomerycountymd.gov)

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

Common Ownership Communities - Oversight, Governing Document Database, and Local Commissions

House Bill 402 establishes a Common Ownership Community Oversight Division in the Department of Housing and Community Development to respond to complaints by members of Common Ownership Communities (COCs) regarding final adverse decisions by the governing body or community manager of a COC and to refer the matter to the local COC commission, if available. 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. 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 the County's 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.

(See following page for in-line amendments).

**Amendments Requested by the Montgomery County Department of Housing and Community Affairs to
HB402 Third Reader Version**

Amendment 1

On page 1, in line 10, after “for a” insert “certain”.

Amendment 2

On page 10, strike line 1 through 3, inclusive, and insert: “**(A) THE PROVISIONS OF THIS SUBTITLE SUPERSEDE ANY INCONSISTENT PROVISIONS OF LOCAL LAW ENACTED AFTER OCTOBER 1, 2026, THAT CONFLICT WITH THIS SUBTITLE TO THE EXTENT OF THE CONFLICT.**”

(B) THE PROVISIONS OF THIS SUBTITLE SHALL NOT SUPERSEDE OR PREEMPT ANY INCONSISTENT PROVISIONS OF LOCAL LAW ENACTED ON OR BEFORE OCTOBER 1, 2026, THAT CONFLICT WITH THIS SUBTITLE TO THE EXTENT OF THE CONFLICT.”

Amendment 3

On page 10, in line 6, after “ESTABLISHED” insert “**AFTER OCTOBER 1, 2026,**”.