

To: Members of the Maryland State Senate

Re: Letter of Support for SB0981 and HB0502

Dear Esteemed Members of the Maryland State Senate,

On behalf of the HOA & Civic Association Alliance, a Maryland nonprofit dedicated to strengthening common ownership communities through education, collaboration, and advocacy, we write in strong support of Senate Bill 0981/HB0402 and House Bill 0502.

These bills address two of the most persistent and consequential gaps in Maryland's approach to community association governance: accessibility and accountability of governing documents, and the lack of baseline education for those entrusted with managing nonprofit community corporations and substantial financial assets.

#### Support for HB0402 — Accessibility, Accountability, and Oversight

HB0402 is critically needed because governing documents function as the “constitutions” of individual communities. They define rights, obligations, enforcement authority, and the framework by which residents and boards coexist. Yet, in practice, these documents are often:

- Difficult to obtain
- Outdated or inconsistently maintained
- Not centrally accessible to homeowners or prospective buyers

SB0981 addresses this by creating a centralized repository, ensuring that governing documents are easily accessible, transparent, and uniformly available across communities.

Equally important, the bill establishes a dedicated and appropriate mechanism for receiving and responding to complaints related to common ownership communities. Currently, many residents turn to the Office of the Attorney General for assistance. However, the OAG is not structured or resourced to handle the volume, nuance, and specialized nature of HOA-related disputes. This results in delayed or limited responses that do not adequately address the issue at hand, escalation of preventable conflicts, or situations that inadvertently abridge the State-sanctioned rights of association members. By creating a dedicated space for complaint intake and resolution, SB0981 ensures that:

- Homeowners have a clear, appropriate avenue for concerns
- Issues can be addressed earlier and more efficiently
- Trust in community governance systems is strengthened

This is a structural improvement that Maryland's growing number of common ownership communities urgently needs.

### Support for HB0502 — Education and Responsible Governance

HB0502 addresses a fundamental issue: HOA board members are governing state-sanctioned corporations structured as nonprofit entities—often managing hundreds of thousands, if not millions, of dollars—with no required baseline education or training.

Board members make decisions that directly impact:

- Financial management and reserves
- Contracting and procurement
- Enforcement of rules and legal compliance
- Homeowner rights and obligations
- Critical stormwater infrastructure

Yet, unlike many other roles involving fiduciary responsibility, there is currently no minimum standard of education or preparation required. HB0502 is necessary because it establishes baseline knowledge expectations for board members. It promotes responsible financial stewardship, reduces the risk of mismanagement, errors, legal exposure, and supports more consistent and professional governance across communities

It is important to note that this is not about burdening volunteers—it is about equipping them. Most board members want to do the right thing but are operating without guidance in complex legal and financial environments. Requiring basic education helps protect homeowners, board members, the long-term stability of community associations, and the general public.

It is critical that SB0981/HB0402 and HB0502 are passed. These bills address both sides of effective governance:

- SB0981 ensures transparency, access, and accountability
- HB0502 ensures competence, preparedness, and responsible decision-making

Without these reforms, homeowners remain underserved, lack clear recourse, and Boards continue operating without essential tools or knowledge. Preventable disputes escalate into costly conflicts and public confidence in HOA governance continues to erode. Conversely, with these reforms communities operate more transparently and fairly, volunteer leaders are better equipped to succeed, and the burden on state agencies is reduced through proper channels, and Maryland strengthens oversight of a sector that houses a significant portion of its residents.

The HOA & Civic Association Alliance strongly urges the Senate to pass HB0502 and SB0981. These are thoughtful, practical, and necessary measures that will significantly improve governance, accountability, and quality of life in Maryland's common ownership communities.

We appreciate your consideration and stand ready to serve as a resource on these issues.

Respectfully submitted,

HOA & Civic Association Alliance

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