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March 30, 2026

Senator William C Smith, Jr., Chair
Senator Jeff Waldstreicher, Vice Chair
2 East Miller Senate Office Building
11 Bladen Street
Annapolis, MD 21401

Re: House Bill 1529 (HB1529)
Baltimore County - Local Commission on Common Ownership Communities
Hearing Date: March 31, 2026, at 1:00 pm
Position: Oppose

Dear Chair Smith, Vice-Chair Waldstreicher, and Members of the Judicial Proceedings Committee:

This letter is submitted on behalf of the Maryland Legislative Action Committee (MD-LAC) of the Community Associations Institute (CAI). CAI represents individuals and professionals who reside in or work with community associations (condominiums, homeowners' associations, and cooperatives) throughout the State of Maryland.

The MD-LAC opposes HB1529. This opposition is based upon CAI's well researched and data-based position that oversight commission or similar programs are not the best solution to the issues of common interest ownership properties. See, CAI, [Department of Government and Public Affairs, Report on Offices of Community Associations Ombudsman, updated October 23, 2024](#). CAI instead advocates for education of rights and responsibilities and tailored community-led solutions that best meet the unique needs of each association. CAI has found that the educational approach for conflict resolution prevents issues before adversarial situations arise and is a much better solution.

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Homeowners, who democratically elect their directors, who know their communities, and who have the power to amend their governing documents, are better suited than the government to decide their own processes for the settlement of disputes. A Commission on Common Ownership Communities (CCOC) for Baltimore County, a highly populated and significantly saturated community association county, will cause confusion, unnecessary conflicts, delay in the resolution of disagreements and will dramatically and unfairly increase the costs to homeowners living in Baltimore County.

Fiscal Note on the association/homeowners side. Separate and apart from the association's administrative costs of registering, supplying information to the CCOC, and responding to complaints (which response will almost always involve the community association's attorney and a legal cost to the community), the CCOC will be allowed to charge each association a per unit fee. The Montgomery County CCOC now charges \$14.00 per unit (a fee that started in 1991 at \$2.00 per unit). At a time when the legislature is concerned with affordability in Maryland housing, we ask that the Committee recognize the financial cost a CCOC will place on homeowners in Baltimore County. These costs will apply to even those associations that have no problems needing oversight, conflict resolution or enforcement in their community. Some homeowners will be able to absorb this cost, but many homeowners, who are struggling with grocery costs, gas prices, and childcare, will be taxed unfairly when their community association is forced to include this fee in their assessments. Many associations are struggling to put money in their reserves, or into necessary repairs, maintenance, and replacements and this additional administrative cost simply goes too far.

HB1529 conflicts with several existing laws and mechanisms already in place for dispute resolution.

- A. When one has a contract dispute, the courts are available for resolution of the dispute. The American Arbitration Association is available for the arbitration of disputes, and many local jurisdictions and local groups (often comprised of retired judges) provide mediation services. Even when a lawsuit is employed, mediation or ADR is not mandatory – both sides must be willing to engage in the process. HB1529 implicitly mandates mediation and allows a party that refuses mediation to be penalized for not participating. In this industry, we have seen disgruntled owners attempt to use the mediation and ADR process to thwart or delay a valid action by the community association or its board of directors.

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- B. This ability to thwart or delay a valid action may also have significant ramifications if the dispute is about requiring an owner to pay an assessment or is about spending the association's funds. Community associations are now mandated to fund and follow their reserve studies to anticipate and plan for major repairs, renovations, upgrades, and replacements to common elements/common areas. Community associations boards may adopt special assessments to build those reserves without a vote of the owners even if that vote is required in the governing documents. A dispute that stays the payment of those assessments or the spending of those funds on necessary repairs, maintenance or replacements flies in the face of the mandatory reserve provisions of the statute.
- C. The Maryland Condominium Act (MCA), Maryland Cooperative Housing Association Act (MCHAA), and the Maryland Homeowners Association Act (MHOAA) all require a dispute settlement mechanism be employed before imposing a sanction such as fines or revocation/suspension of rights. That process is detailed and designed to bring both parties to the table to discuss an alleged violation and what is needed to address or cure the violation. The creation of a CCOC will impede this process if an owner feels that they can delay enforcement merely by filing a complaint and automatically stays the enforcement causing an additional financial burden on the association to lift the stay. This additional layer will conflict with the dispute settlement mechanism statutes and with many provisions already existing in each community association's unique governing documents.
- D. MCA, MCHAA, and MHOAA provide that an aggrieved party with a dispute may file a complaint with the Office of the Attorney General (OAG), Consumer Protection Division. The AG's office has in the past expressed concerns about the workings of an ombudsman program which would operate in similar oversight fashion to the CCOC concept. There are grave concerns about the range of disputes that can be brought before the Commission that include disagreements involving the authority of the governing body or the failure of the governing body to do things that are already required by the governing documents and/or by law. The OAG already has the right to enforce the law. This duality will lead to conflicting decisions by the Commission and the OAG. This duality also means that unlike any other type of entity - corporate, partnership, LLC, etc. - community associations are not free to manage their private contracts, and they will be subjectively punished by a process that is cumbersome, overbroad, unnecessary, and costly.
- E. Finally, the Commission would be quasi-judicial entity with the power to grant injunctive relief, damages and attorneys' fees and costs. However, the members of the Commission are volunteers. The volunteers must be trained and educated to make these decisions for community associations which are unlike any other nonprofit business entity.

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The 2006 Task Force addressed CCOCs and stated, “Witnesses at the Task Force’s public hearings expressed mixed feelings about the administrative process as it is structured in Montgomery County. . .” “Some counties, however, may not have the volunteer base to make this model work. . .”

There is no *objective data* to support the need for a law that HB 1529 prescribes, nor the need for a CCOC in Baltimore County, and there is no information to show that there are the necessary support services, i.e., mediation and ADR support, to properly run a County CCOC. We encourage the Committee and legislators to think in terms of more education rather than overbroad, overburdensome, and costly administrative oversight that will not serve the State or the 1.1 million people who live in 7,500 community associations in the State of Maryland, many of whom reside in Baltimore County.

We respectfully request that the Committee give HB1529 an **unfavorable report**. We are available to answer any questions the Committee Members may have. Please feel free to contact Lisa Harris Jones, lobbyist for the MD-LAC, at 410-366-1500, or by e-mail at lisa.jones@mdlobbyist.com, Igor Conev, Chair of the MD-LAC at 443 614 2787, or by e-mail at igor@ocmannproperties.com, or Cynthia Hitt Kent, Esquire, Assistant Secretary, MD-LAC at 443 695 1981, or by e-mail at ckent@hittkentlaw.com.

Sincerely,

Cynthia Hitt Kent
Assistant Secretary, CAI MD-LAC

Igor Conev
Chair, CAI MD-LAC

CAI is a national organization dedicated to fostering vibrant, competent, harmonious community associations for more than fifty years. Its members include community association volunteer leaders, professional managers, community management firms, and other professionals and companies that provide products and services to common interest associations. As part of its mission, CAI advocates for legislative and regulatory policies that support responsible governance and effective management. As part of this purpose state Legislative Action Committees represent CAI members before state legislatures and agencies on issues such as governance, assessments collection, insurance and construction defects.

Ms. Kent is retired attorney and a Baltimore County resident and has lived in three Baltimore County community associations over the last 40 years. She has over 40 years of experience, almost exclusively in community association law.

cc:

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