2019 End of Session Report

The Maryland Legislative Action Committee (the "MD-LAC") was once again extremely busy during the 2019 Session of the Maryland General Assembly. The 2019 General Assembly session was an unusual session for several reasons – most prominent was the ill health and passing of long time Speaker Michael Busch. Other factors that affected the community association “world” were the large number of new Delegates on key committees in the House. Most of our bills are heard on the House side in the Environment and Transportation Committee (“E&T”). On the Senate side, the movement of Senator Kelley from Vice Chair of Judicial Proceedings (“JPR”) to Chair of Finance removed her experience on community associations from the JPR committee. The passing of Senator Norman, last year, was also a loss for our industry, as he was one of CAI’s strong advocates. Multiple new Senators in the Senate meant that some of our more complex bills were new concepts to these senators and their staff.

Although several of our bills passed the House, Senator Zirkin, Chair of the Senate Committee, where the bills were then sent, failed to champion any of them.

As a result, practically no bills of interest that MD-LAC supported made it into Law. However, all those we opposed were defeated.

We were happy to continue our intern program that allows interested persons an opportunity to participate and get a sense of how the LAC operates. Thanks to our newest interns, Brenda Reiber, Susan Saltsman and Steve Dunn.

Kudos once again to all LAC members, Vicki Cane, Reese Cropper, Julie Dymowski, Ruth Katz, Steven Landsman, Judyann Lee, Chris Majorle, Buck Mann, Robin Manougian, Tom Schild, John Taylor and Aimee Winegar and our Executive Committee of Steve Randol, Peter Philbin, Kathleen Elmore, Charlene Morazzani, Susan Rappaport and Marie Fowler who gave so willingly and generously of their time for MD-LAC work, which is year-round, but certainly peaks in December through March of each year.

The MD-LAC tracked 40 House bills and 30 Senate bills that directly or indirectly impacted community associations in the 2019 session. Most of these bills, this session, did not pass. Committee members monitored several bills without written comment.

The MD-LAC chose to support the following bills, with written and/or oral testimony:

**Supported Bills:**

**Real Property - Maryland Condominium Act – Powers of Council of Unit Owners (HB 68/SB 379)** – This bill prohibited the declarations, bylaws, or certain other instruments of a condominium made by a developer from limiting certain powers of a council of unit owners to have legal standing or to enforce implied warranties except under certain circumstances. Unfavorable in E&T and hearing but no vote in JPR.
Real Property – Maryland Condominium Act – Implied Warranties From Developers (HB 69/SB 380) – This bill established that all common elements of a condominium are covered under a certain implied warranty on common elements from a developer; and applying common element implied warranty coverage to any portion of a condominium that a council of unit owners is required to maintain, repair, or replace under the declaration, bylaws, or other instrument made by a developer or vendor in accordance with certain law, regardless of whether the portion of the condominium is designated as a unit or a common element. **Unfavorable in the E&T and withdrawn; unfavorable vote in JPR.**

Condominiums and Homeowners Associations – Amendment of Governing Documents (HB 207) – This bill clarified the circumstances under which unit owners may vote to amend the bylaws of a condominium; and clarifying the circumstances under which lot owners may vote to amend certain governing documents of a homeowners’ association. **Passed in the House 138-0, crossed over to Senate, hearing held in JPR but no vote was taken. Did not pass.**

Prince George’s County – Condominiums and Homeowners Associations – Reserve Studies – Annual Budgets PF 402-19 (HB 220) – This bill required the governing body of certain condominiums located in Prince George’s County to have a certain reserve study conducted not more than 90 days and not less than 30 calendar days before the meeting of the Council of unit owners and at certain intervals; requiring the reserve study of a condominium located in Prince George’s County to meet certain criteria; requiring the governing body of certain homeowners’ associations located in Prince George’s County to have a certain reserve study conducted; etc. **Hearing in E&T but no vote taken.**

Condominiums – Responsibility for Property Insurance Deductibles (HB 249) – This bill increasing the maximum amount of the council of unit owners’ property insurance deductible for which a unit owner is responsible from $5,000 to $10,000; and applied the Act to all policies of property and casualty insurance issued, delivered, or renewed in the State to a condominium council of unit owners; etc. **Passed the House 139-0, crossed over to Senate, hearing held in JPR but no vote taken.**

Real Property – Maryland Condominium Act – Priority of Liens (HB 250/SB 374) – This bill altered, in the case of a certain priority of a condominium’s liens in a foreclosure of a mortgage or deed of trust on a condominium unit, the maximum number of months from 4 to 6 of certain unpaid regular assessments of which the condominium’s liens shall consist; authorizing a condominium’s liens to include certain costs or sums under certain circumstances; repealing the monetary cap for a condominium’s liens under certain circumstances; and applying the Act prospectively. **Unfavorable report by E&T and withdrawn; hearing scheduled but not conducted in JPR.**

Real Property – Condominiums and Homeowners Associations – Dispute Settlement (HB 392/SB 723) – This bill altered the procedures a council of unit owners or a board of directors of a condominium shall take before a penalty for a violation of the condominium’s rules can be imposed on an alleged violator; establishing procedures a board of directors or other governing body of a homeowners’ association shall take before a penalty for a violation of the homeowners association’s rules can be imposed; providing that certain provisions of the Act do not apply to certain associations; applying the Act prospectively; etc. **Passed House 139-0, crossed to Senate, but cross-filed SB 723 had already been given an Unfavorable report in JPR.**
Cooperative Housing Corporations – Dispute Settlement and Eviction Procedures (HB 414/SB 724) – This bill specified that a certain dispute settlement mechanism does not apply to complaints or demands arising out of a cooperative housing member’s failure to pay certain assessments owed to the cooperative housing corporation; repealing a requirement that the governing body of a cooperative housing corporation hold a hearing on a certain alleged violation under certain circumstances; requiring the governing body of a cooperative housing corporation to give certain notice of a member’s right to request a hearing on a certain alleged violation; etc. Passed House 136 – 0, crossed over to Senate, but cross-filed SB 724 had already been given an Unfavorable report in JPR.

Real Property – Residential Rental Licensing – Common Ownership Community Fees (HB 655) – This bill required a person applying for a certain residential rental license to certify that the dwelling unit is not more than 60 days in arrears for a common ownership community fee; and providing that the Act does not preclude a county or municipality from adopting or enforcing requirements that are more stringent than the requirements of the Act. Passed in the House 134-4, crossed over to Senate, hearing held in JPR but no vote taken. The bill did not pass.

Homeowners Associations – Powers, Boards of Directors, Voting Meetings, and Rules (HB 709/SB 612) – This bill altered the fee that a homeowners association may impose for a certain inspection from $50 to $100; altering the circumstances under which the homeowners association is entitled to the inspection fee; establishing that a homeowners association shall be composed of all lot owners and that the bylaws may authorize the delegation of any power of the homeowners association; establishing certain powers of a homeowners association; etc. Unfavorable report in E&T and in JPR and withdrawn.

Real Property – Common Ownership Communities – Registration (HB 737/SB 721) – This bill required a cooperative housing corporation, a condominium, and a homeowners association to register annually with the State Department of Assessments and Taxation; exempting certain common ownership communities from the applicability of the Act; establishing a Common Ownership Community Registry in the Department; requiring the Department to work with any county that maintains a local registry of common ownership communities under certain circumstances; requiring the Department to establish a certain registration fee; etc. Unfavorable report in E&T and JPR, withdrawn.

Condominiums and Homeowners Associations – Amendments to Declarations and Governing Documents (HB 825) – This bill established that a provision in the declaration of a condominium or in a governing document of a homeowners association that requires any action on the part of a holder of a mortgage or deed of trust on a unit or a lot in order to make certain amendments shall be deemed satisfied if certain procedures are satisfied under certain circumstances; etc. Passed in the House 137-0, crossed over to Senate, hearing held in JPR but no vote taken.

Condominiums and Homeowners Associations – Electric Vehicle Recharging Equipment (Electric Vehicle Recharging Equipment for Multi-family Units Acts) (HB 826) – This bill provided that certain provisions of a recorded covenant or restriction, a declaration, or the bylaws or rules of a condominium or homeowners association are void and unenforceable; requiring the governing body of a condominium or homeowners association to approve the installation of electric vehicle recharging equipment in a certain parking space under certain circumstances; requiring certain owners of electric vehicle recharging equipment to be responsible for certain costs and disclosures; etc. Passed the House 130-10, crossed over to Senate, hearing held in JPR but no vote taken.
Cooperative Housing Corporations, Condominiums, and Homeowners Associations – Reserve Studies (HB 900) – This bill required the governing body of certain cooperative housing corporations, condominiums, and homeowners associations to have a reserve study conducted by a certain date and at 5-year intervals under certain circumstances; requiring a certain reserve study to meet certain criteria; establishing that the governing body of a cooperative housing corporation or a homeowners association and the board of directors of a condominium have authority to increase a certain assessment notwithstanding certain provisions; etc. Unfavorable report by E&T, withdrawn.

Financial Consumer Protection Act of 2019 (HB 1127/SB 786) – This bill established and strengthened consumer protections in certain areas of financial transactions, including mobile home purchases, security breaches, vehicle purchases, money transmission, and other areas; applying certain existing financial consumer protections to new forms of financial transactions; establishing that a mobile home retailer has a duty of good faith and fair dealing; prohibiting a mobile home retailer from steering a consumer borrower to products that offer less favorable terms; etc. Hearing in Economic Matters Committee but not vote taken; Unfavorable report by Senate Finance Committee.

Carroll County – Gaming – Home Games – Bingo (HB 1135/SB 892) – This bill added bingo in Carroll County to the list of home games that an individual may conduct in a common area of a residential property if the property is restricted to residents who are at least 55 years old. PASSED and Approved by the Governor – Chapter 187 – 4/18/2019.

Condominiums and Homeowners Associations – Election of Governing Body (SB 189) – This bill authorized the unit owners of a condominium to call a certain meeting to elect a board of directors if the condominium regime was established at least 10 years before the date of the meeting, under certain circumstances; authorizing the lot owners of a homeowners association to call a certain meeting to elect a governing body if the homeowners association declaration was initially recorded at least 10 years before the meeting, under certain circumstances; and applying the Act. Unfavorable report in JPR.

Real Property – Installation and Use of Electric Vehicle Recharging Equipment (SB 822) – This bill provided that certain provisions of a recorded covenant or restriction, a declaration, or the bylaws or rules of a condominium or homeowners association are void and unenforceable; establishing certain requirements and procedures relating to an application to the governing body of a condominium or homeowners association to install or use electric vehicle recharging equipment; requiring certain owners of electric vehicle recharging equipment to be responsible for certain costs and disclosures; etc. Unfavorable report in JPR, withdrawn.

Public Safety – Building Codes – Electric Vehicle Charging Infrastructure (SB 987) – This bill required if a certain new building includes the creation of 20 or more parking spaces, 5% of the parking spaces to contain certain electric vehicle charging infrastructure; requiring an electrical room of a new building to be designed to accommodate electrical and distribution equipment needed to serve at least 20% of certain parking spaces; requiring installation of electric vehicle charging infrastructure to meet certain specifications; requiring that a certain raceway be extended to a certain location; etc. Unfavorable report in JPR.
Opposed Bills:

Condominiums and Homeowners Associations – Candidate or Proposition Signs – Notice of Restrictions (HB 908) – This bill required the governing body of a condominium to send a certain written notice regarding the display of candidate or proposition signs to all unit owners not less than 90 days before each primary election and each general election in the State; and requiring the governing body of a homeowners association to send a certain written notice regarding the display of candidate or proposition signs to all lot owners not less than 90 days before each primary election and each general election in the State. Unfavorable report in E&T.

Debt Collection – Exemptions from Attachment (HB 1256/SB 772) – This bill altered the amount of wages of a judgment debtor that are exempt from attachment; and providing for the prospective application of the Act. Unfavorable report in Economic Matters Committee; hearing in Finance Committee but no vote taken.

Homeowners Associations – Adopted Annual Budget – Submission to Lot Owners (SB 745) – This bill required the board of directors or other governing body of a homeowners association to submit the adopted annual budget to the lot owners not more than 30 days after the meeting at which the budget was adopted; and authorizing the adopted annual budget to be sent to each lot owner by electronic transmission, by posting on the homeowners association’s home page, or by inclusion in the homeowners association’s newsletter. Unfavorable report in JPR.

For more information on MD-LAC’s activities and community association legislation in Maryland, visit www.caionline.org/MDLAC.

Your Assistance is Needed!

The MD-LAC uses a professional, paid lobbyist as a vital and integral part of the legislative process. As volunteers, MD-LAC members significantly rely on this highly effective professional representation.

The MD-LAC receives funding from CAI National and from the local chapters. However, these funds do not fully cover the expense for a professional lobbyist that is essential to the MD-LAC successes.

To help fund the MD-LAC advocacy activities in 2018/2019 and beyond, donations are vital to our continued successes. We encourage donations from Maryland community associations and individuals. We welcome any donations — individuals, associations or companies. Please visit www.caionline.org/lacdonate/ and donate to “Maryland” to support our continued efforts or make checks payable to CAI Maryland LAC and mailed to:

Maryland Legislative Action Committee
Post Office Box 6636
Annapolis, Maryland 21401

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