

2022 Maryland End of Legislative Session Report

The CAI MD-LAC screened all 2495 bills introduced. We determined that 70 of those bills were of interest to the Community Association community.

In the House, we supported (or supported with amendments) 12 bills, of which 5 made it to the Governor for signature. 8 bills we supported did not make it. We opposed 11 bills—and successfully prevented 10 from moving to the Governor. We monitored another 28 bills. The LAC monitors a bill when there is no reason to support or oppose, but the position may change if the bill changes in the process.

In the Senate, we supported 4 bills, one of which made it to the governor. We opposed one bill, which unfortunately did make it to the Governor.

Last September, we identified 3 priority issues. First, passage of a mandatory reserve bill. HB107 was passed on the last day of the session and, as of 14 April, has not yet signed by the Governor. The second priority was dispute resolution. Two bills encompassed this: HB 615 (for HOAs and Condos) and HB616 (for Co-ops). HB 616 was passed and, as of 14 April, had not yet been signed. The third priority was addressing funding of infrastructure not covered by reserve studies. HB 1061 sought to address this, but failed to gain traction. On this issue, CAI National has created a task force to improved Reserve Specialist credentials, and to address the topic of infrastructure items that are typically excluded from Reserve Studies.

Italicized text is from the General Assembly website bill synopsis

HB26 Del Holmes

Real Property - Regulation of Common Ownership Community Managers

LAC Position: Oppose

Status: Successfully Failed in the House

Creating the State Board of Common Ownership Community Managers in the Maryland Department of Labor to oversee the licensing of community managers who provide management services for common ownership communities; providing that certain provisions of the Act do not prohibit certain persons from providing certain services under certain circumstances; requiring an individual to be issued a license by the Board before providing management services for a common ownership community under certain circumstances; etc.

The LAC submitted testimony citing CAI National research indicating that only 8 states require manager licensing, one of which allowed their law to sunset and another is considering repeal. The concept was that licensing would raise the standard of competence in the industry and would reduce manager embezzlement, neither of which proved to be the case. Manager licensing would have an indirect effect on member assessments by costing managers and management companies significant sums to pay license fees, increase insurance and pay for manager training, including time off work to train. Additionally, the bill proposed to supplement the cost of the operation of the Commission with a direct per-door fee being imposed on all condominiums, homeowners associations and cooperatives in the State. With the results not being achieved, the cost seems not to be worthwhile.

HB40 Del Watson

Condominiums - Disclosures to Unit Owners and Prohibited Provisions in Instruments

LAC Position: Support with Amendments

Status: Successfully Passed

Clarifying that certain provisions of law related to closed-door meetings of a board of directors of a condominium do not allow the board to withhold or agree to withhold the terms of certain legal agreements from the unit owners; making unenforceable a certain contract unless the contract contains a certain notice; requiring a board to disclose to the council of unit owners any agreement by the board for the purpose of settling a disputed common element warranty claim at least 21 days before the execution of the agreement; etc.

HB93 Del Terrasa

Candidates for Offices of Municipalities and Common Ownership Communities - Reports of Donations and Disbursements

LAC Position: Oppose

Status: Successfully Failed in House

Requiring certain municipalities, cooperative housing corporations, condominiums, and homeowners associations that require candidates for office to file reports of donations and disbursements to transmit copies of the reports to the State Board of Elections

HB107 Dels Holmes, Foley, Healey, Lehman & Terrasa

Cooperative Housing Corporations, Condominiums, and Homeowners Associations - Reserve Studies – Statewide

LAC Position: Support with Amendment

Status: Successfully Passed

Requiring the governing body of certain cooperative housing corporations, condominiums, or homeowners associations to have a reserve study conducted of the common elements of the cooperative housing corporation, condominium, or homeowners association and to update the study every 5 years; imposing certain requirements relating to the annual budget of a cooperative housing corporation, condominium, or homeowners association; etc.

In response to the disaster that occurred in Surfside, Florida last summer, the Maryland General Assembly has enacted new legislation that will make the requirement to obtain and fund replacement reserve studies applicable to condominiums, cooperatives and homeowners associations statewide, effective **October 1, 2022**. Under the newly adopted law, which Governor Hogan is expected to sign, community associations who have not obtained a replacement reserve study (or update) since October 1, 2016, will be required to do so within one year of the effective date of the statute. Then, by no later than the third annual budget cycle following receipt of an initial reserve study, the community association will be required to have allocated sufficient funds to meet 100% of the recommended funding level in the initial reserve study. Going forward, replacement reserve studies must be updated at least once every five years, and any increased funding recommendations made in the updated studies must be fully funded in the first budget cycle following receipt of the updated study. The law also requires that professionals who author reserve studies and updates have participated in the preparation of at least thirty such studies in the preceding three-year period while employed by a firm that prepares such studies and hold an architect's or engineer's license or has been certified by the Community Association Institute or Association of Professional Reserve Analysts.

SB145 Sen Kramer (crossfiled)

Cooperative Housing Corporations - Property Insurance Deductibles - Member Responsibility

HB197 Del Stewart (comparable bill)

Cooperative Housing Corporations and Condominium Associations – Evidence of Insurance.

Requiring a member of a cooperative housing corporation to pay up to \$10,000 of the corporation's property or liability insurance deductible if damage to a common element originated in the member's unit; requiring the governing body to

inform each member in writing annually of the member's responsibility regarding the insurance deductible and the amount; and applying the Act prospectively.

LAC Position: Opposed HB117, Support HB197 with Amendment

Status: Successfully All Versions Failed

These bills originated from a specific scenario occurring in a cooperative in Montgomery County, where the association has been forced to accept a remarkably high deductible as a result of multiple claims stemming from the continued presence of aluminum wiring in the building. One resident lobbied Delegate Stewart and Senator Kramer to sponsor cross-filed bills that would have authorized cooperatives to:

- (1) require their members to obtain the equivalent of an HO-6 unit owner's insurance policy to provide coverage for improvements and betterments made to the unit, as well as the member's personal property and any liability the member might have for the master policy deductible that was assessed to the member; and,
- (2) assess a member the master policy deductible—which, in this case, is \$50,000—to the member in whose claim the loss covered by the master policy originated.

This legislation, as proposed, was intended to bring cooperative associations into parity with condominiums, where Section 11-114 of the Maryland Condominium Act authorizes a condominium to take the actions that these bills would have empowered cooperative associations to take. However, as we explained to the bills' sponsors, the legal structure of a cooperative is very different from a condominium. For one thing, there is no unit that is owned by the individual member. Rather, the member owns a share in the cooperative corporation and is authorized by a proprietary lease to occupy the unit in which s/he resides. The member has no real property ownership interest in any portion of the building, including improvements and betterments that s/he may have made to the unit with the corporation's permission. Moreover, in many cases, the cooperative member has limited, if any, responsibility for maintenance, repair, and replacement of the unit. Having explained these distinctions to the bills' sponsors, we attempted to work with them to revise the proposed legislation to make sense in the cooperative context. However, despite our efforts, the House committee recognized that cooperative insurance was a thicket in which its members did not wish to become entangled for the sole purpose of providing a legislative solution for a specific constituent's problem. The bills were "put on hold" by the committee's chairman.

HB140 Del Holmes

Real Property - Condominiums and Homeowners Associations - Governing Bodies and Annual Meetings

LAC Position: Support

Status: Failed in House

Increasing to two the number of meetings the board of directors or the developer of a condominium or a homeowners association must convene each year at which unit owners have an opportunity to comment; requiring the developer of a condominium to appoint a unit owner, not otherwise affiliated with the developer, to the board within 30 days after the date on which units representing 25% of the votes have been conveyed by the developer to members of the public for residential purposes; requiring the maintenance of certain books and records Bill of Rights

SB146 Sen Young & Others

HB157 Del Barve & Others

Vehicle Laws - Plug-In Electric Drive Vehicles - Reserved Parking Spaces

LAC Position: Support with Amendments

Status: Successfully Passed

Prohibiting a person from stopping, standing, or parking a vehicle that is not a plug-in electric drive vehicle plugged into charging equipment in a parking space that is designated for the use of plug-in electric drive vehicles; establishing certain standards for signage designating reserved parking for certain plug-in electric drive vehicles; requiring that a parking space that is for the use of plug-in electric drive vehicles be counted as part of the overall number of parking spaces for purposes of complying with certain laws; etc.

HB174 Del Lehman

Landlord and Tenant - Repossession for Failure to Pay Rent – Registration of [Lead] Affected Properties

LAC Position: Monitor

Status: Passed

Establishing that information regarding the status of a rental property as an affected property under certain lead-based paint abatement laws may be an issue of fact at trial.

This bill requires a landlord (or a landlord's agent) filing a written complaint to repossess property due to a tenant's failure to pay rent to plead and demonstrate that the rental property is in compliance with, or exempt from, any applicable local licensing requirements. At a trial for repossession for failure to pay rent, a landlord has the burden of proving to the satisfaction of the court that the property is in compliance with, or exempt from, any applicable local licensing requirements and may present an electronic copy of the license to satisfy this burden. If the landlord fails to provide proof of compliance or exemption, the court may not enter a judgment in favor of the landlord. The bill makes conforming changes to statutory provisions specific to Baltimore City. **The bill takes effect January 1, 2023.**

HB303 Dels Stein, Boyce, Healey, Jalisi, Lehman, Prettyman & Ruth

SB319 Sen McCray

Public Safety – Maryland Swimming Pool and Spa Standards--Adoption

LAC Position: Monitor

Status: House Bill Passed

Requiring a member of a cooperative housing corporation to pay up to \$10,000 of the corporation's property or liability insurance deductible if damage to a common element originated in the member's unit; requiring the governing body to inform each member in writing annually of the member's responsibility regarding the insurance deductible and the amount; and applying the Act prospectively.

These bills have gone to the Governor for signature, and if signed, will require the Maryland Department of Labor to adopt by regulation the International Swimming Pool and Spa Code as the Maryland Swimming Pool and Spa Standards. The new law will also provide for the implementation of the Standards by local jurisdictions, counties, and municipalities, and will require the Department to consult with the Maryland Department of Health on the implementation of the Standards. The law applies the standards to swimming pools or spas for which an application for a permit is received by a local jurisdiction on or after June 1, 2023.

HB322 Del Lopez

Courts – Judgments – Exemptions from Execution

LAC Position: Oppose

Status: Successfully Failed in Senate

Exempting up to \$500 in certain accounts of a judgment debtor from execution on the judgment without an election by the debtor to exempt the money; establishing a \$6,000 limit on the cumulative value of property and cash that may be exempted; requiring a writ of garnishment issued for certain accounts to instruct the garnishee that it is to garnish only a certain amount; and applying the Act prospectively.

HB331 Dels Boteler & Buckel

Local Government - Regulation of Amateur Radio Station Antenna Structures

LAC Position: Monitor

Status: Passed

Requiring that an ordinance adopted by a county or municipality to regulate amateur radio station antenna structures may not preclude amateur radio communications, must accommodate amateur radio communications, and must constitute the minimum practicable regulation to accomplish the purpose of the ordinance.

Requiring that an ordinance adopted by a county or municipality that regulates amateur radio station antenna structures (1) may not preclude amateur radio communications; (2) must reasonably accommodate amateur radio communications; and (3) must constitute the minimum practicable regulation to accomplish the legitimate purpose of the ordinance. The bill declares that it is the intent of the General Assembly to codify the provisions of Section 97.15 of Title 47 of the Code of Federal Regulations concerning the Federal Communications Commission's (FCC) preemption of local ordinances regulating amateur radio station antenna structures.

HB358 Dels Charles, Holmes & Others

Maryland Condominium Act - Amendments to the Declaration - Interest in Common Elements

LAC Position: Oppose

Status: Successfully Failed in House

Authorizing the council of unit owners of a condominium to alter, by a vote of at least 60% of the eligible voters, the undivided percentage interest in the common elements of any unit; repealing a prohibition on changing the undivided percentage interest in the common elements of any unit without the written consent of every unit owner and mortgagee.

HB390 Del Solomon

SB447 Sen Waldstreicher

Corporations and Associations - Use or Maintenance of Improper or Outdated Addresses in Documents

LAC Position: Monitor

Status: Passed

Prohibiting the use or maintenance of an improper or outdated address in documents filed for inclusion in records of the State Department of Assessments and Taxation; authorizing a person listed as an owner of real property in the Department's records to file an affidavit with the Department stating that the property's address on record with the Department is being used or maintained in violation of the Act; etc.

HB553 Del Arentz

Condominiums – Mandatory Insurance Coverage – Alterations

LAC Position: Oppose

Status: Successfully Failed in the House

Providing that certain property insurance requirements are applicable to certain elements and units under certain circumstances; providing that for detached units, the requirement that each unit owner is an insured person under a certain insurance policy with respect to certain liability applies only to common elements; providing that a loss for attached or multifamily dwelling units covered by a certain policy be adjusted with the council of unit owners in a certain manner; etc.

HB615 Dels Healy & Holmes

Real Property - Condominiums and Homeowners Associations - Dispute Settlement

LAC Position: Support

Status: Successfully Passed

Altering the procedures for dispute settlement between a council of unit owners or a board of directors and an alleged violator under the Maryland Condominium Act; establishing procedures for dispute settlement between a board of directors or other governing body and an alleged violator under the Maryland Homeowners Association Act; and applying the Act prospectively.

HB616 Dels Healy & Holmes

Cooperative Housing Corporations - Dispute Settlement and Eviction Procedures

LAC Position: Support

Status: Failed in the Senate

Altering procedures for the dispute settlement mechanism under the Maryland Cooperative Housing Corporation Act; specifying that the dispute settlement mechanism does not apply to complaints or demands arising out of a cooperative housing member's failure to pay certain assessments; repealing a prohibition on the governing body of a cooperative housing corporation bringing an action in court to evict a member based solely on the member's failure to pay assessments under certain circumstances; applying the Act prospectively; etc.

HB722 Dels Qi and others

Corporations and Associations - Annual Reports - Filing Fees

LAC Position: Support

Status: Failed in the House

Eliminating the filing fees paid by certain business entities to the State Department of Assessments and Taxation for certain annual reports if the business entities file electronically or do not report any personal property for which property tax is owed; and applying the Act to annual reports due on or after April 15, 2023.

HB782 Del Jalis

Vehicle Laws – Plug-in Electric Drive Vehicles-Reserved Parking Spaces

LAC Position: Oppose

Similar bill SB146/ HB157 supported with amendments did cross-over

Status: Successfully Failed in House-Withdrawn by Sponsor

Prohibiting a person from stopping, standing, or parking a vehicle that is not a plug-in electric drive vehicle in a parking space that is designated in a certain manner for the use of plug-in electric drive vehicles; and requiring that a parking space that is for the use of plug-in electric drive vehicles be counted in a certain way for complying with certain laws intended to meet certain requirements under the Americans with Disabilities Act.

HB803 Del Williams

Residential Property Foreclosure - Filing and Adjudication of Counterclaims

LAC Position: Oppose

Status; Successfully Failed in House

Authorizing a mortgagor or grantor to file a counterclaim under the Maryland Rules within 15 days after a postfile mediation in an action for residential property foreclosure or the date the Office of Administrative Hearings files a certain report; establishing alternative requirements to file a motion to stay in the case of postfile mediation; and requiring the adjudication of legal counterclaims before any equitable claims are undertaken.

HB934 Dels Foley, Fraser-Hidalgo & Ruth

Gasoline-Powered Leaf Blowers – Sale, Offering for Sale, and Use – Prohibition

LAC Position: Oppose

Status: Withdrawn by Sponsors

Requiring a person that sells or offers for sale a gasoline-powered leaf blower in the State to notify the purchaser or potential purchaser that, beginning January 1, 2025, a person may not use a gasoline-powered leaf blower in the State; prohibiting the sale or offering for sale of gasoline-powered leaf blowers in the State beginning January 1, 2024; and prohibiting the use of gasoline-powered leaf blowers in the State beginning January 1, 2025.

This would have phased out all gas-powered leaf blowers by 2025.

HB1060 Del Holmes

Residential Owners in Common Ownership Communities Bill of Rights.

LAC Position: Oppose

Status: Successfully Failed

Establishing a bill of rights for unit owners of a condominium, members of a cooperative housing corporation, and lot owners of a homeowners association.

This was an attempt to adopt a bill of rights for Common Ownership Communities. Also opposed by the MD State Bar association and others.

HB1061 - Local Government - Condominium and Homeowners Associations - Repair and Rehabilitation Funds

Del Holmes

LAC Position: Support

Status: Failed in House

Authorizing a county or a municipality to establish a certain fund for the purpose of providing support for the repair of infrastructure in a community subject to a condominium association or a homeowners association; and requiring that certain property tax revenues be assigned to a fund created under the Act.

HB1146 Dels Terrasa, Lehman, Hill, Proctor, and Ruth

Residential Construction - Electric Vehicle Charging

LAC Position: Oppose

Status: Successfully Failed in House

Requiring the construction of certain new townhouses and multifamily residential buildings that do not have at least one garage, carport, or driveway for each housing unit to include on a certain number of communal off-street parking spaces an electric vehicle charging station capable of at least Level 2 charging.

HB1147 Dels Terrasa & Lehman

Real Property - Cooperative Housing Corporations, Condominiums, and Homeowners Associations - Virtual Meetings

LAC Position: Support with Amendment

Status: Passed House, Failed in Senate

Requiring a person conducting a meeting of a cooperative housing corporation, condominium, or homeowners association by telephone conference, video conference, or similar electronic means, to provide a participant a reasonable opportunity to participate in the meeting; and requiring certain participants in a meeting of a cooperative housing corporation, condominium, or homeowners association to have equal access to any available chat function.

HB1194 Dels Saab and Chisholm

Condominiums - Assessment Late Fees and Liens - Notice and Timing

LAC Position: Oppose

Status: Successfully Failed in House

Requiring the council of unit owners of a condominium to provide a certain notice to a unit owner at least 30 days before imposing a lien on a condominium unit; and altering the number of days an assessment or installment must be

delinquent before a late fee may be imposed or before a council of unit owners may demand payment of the remaining annual assessment coming due within that fiscal year if a unit owner fails to pay an installment when due.

SB65 Sen Kramer

HB117 Del Stewart

Cooperative Housing Corporations and Condominium Associations – Evidence of Insurance

LAC Position: Support with Amendment

Status: Failed in each respective chamber

Authorizing a cooperative housing corporation to require through its governing documents that members maintain an insurance policy on their unit and mandating that governing documents with the requirement also require the member to provide evidence of the insurance on request of the governing body; and requiring the governing documents of a condominium association that require a unit owner to maintain insurance on their unit to require the unit owner to provide evidence of the insurance on the request of the counsel of unit owners.

The bills, which sought similar requirements of condominium unit owners, will likely come up for further examination at a future legislative session

SB146 Sen Young & Others

HB157 Del Barve & Others

Vehicle Laws - Plug-In Electric Drive Vehicles - Reserved Parking Spaces

LAC Position: Support with Amendments

Status: Successfully Passed

Prohibiting a person from stopping, standing, or parking a vehicle that is not a plug-in electric drive vehicle plugged into charging equipment in a parking space that is designated for the use of plug-in electric drive vehicles; establishing certain standards for signage designating reserved parking for certain plug-in electric drive vehicles; requiring that a parking space that is for the use of plug-in electric drive vehicles be counted as part of the overall number of parking spaces for purposes of complying with certain laws; etc.

SB730 Sens Watson, Young & Smith

HB802 Del Williams

Estates and Trusts - Claims Against an Estate - Statute of Limitations.

LAC Position: Supported

Status: Withdrawn after failed Senate Committee vote

Altering the statute of limitations for the filing of certain claims against a decedent's estate; and applying the Act prospectively.

Would have extended and clarified the limitations on estates and trusts.

SB871 Sen Washington

HB1259 Del Belcastro

Accessory Dwelling Unit Authorization and Promotion Act.

LAC Position: Support with Amendment

Status: Failed in Senate

Establishing the policy of the State to promote and encourage the creation of accessory dwelling units on land zoned for single-family residential use in order to meet the housing needs of the citizens of the State; requiring, on or before October 1, 2023, each legislative body to adopt a local law authorizing the development of accessory dwelling units on land zoned for single-family residential use subject to certain requirements; etc.

For the past several years, there has been growing concern over the shortage of affordable housing, as well as entry -level housing in the U.S. Housing experts indicate that current housing stock is failing to keep up with the demand. Recently, the CAI Board of Trustees adopted the Accessory Dwelling Unit Public Policy to balance the recognized need of providing more affordable housing in the U.S. while retaining the rights of residential common interest communities to reasonably regulate the development and placement of accessory dwelling units (ADUs) within their neighborhoods. Community associations may experience practical issues when ADUs are added to existing common interest developments that have rules created to preserve the intended purpose and design characteristics of the community. Under certain circumstances, ADUs may create unintended adverse consequences in a community including, but not limited to, parking issues, alteration of intended design, overcrowding of residents and structures, overtaxing common area facilities and amenities, and increasing traffic congestion, all without a mechanism to reallocate assessment contributions to account for changes that would create an associated burden on the community.

In recognition of these concerns, CAI's Public Policy supports legislation that allows associations to develop reasonable rules and regulations requiring consistency with the common plan of the subdivision where ADUs are located within a community, including restrictions upon design, size, and location.

READ THE ENTIRE TEXT OF A BILL BY VISITING <https://mgaleg.maryland.gov> and entering the bill number in the search field as HB123 or SB123. Click on the bill number link for the text.

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.

Expenses incurred by the LAC are paid for with donations and by Advocacy Fund fees. Corporate contributions are allowed and appreciated. Most community association boards can legally allocate money to support the MD-LAC. **We welcome any donations.** Donations should be made payable to CAI Maryland LAC and mailed to:

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

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