

HOUSE BILL 41

N1
HB 1061/16 – ENV

(PRE-FILED)

7lr0351

By: **Delegate Holmes**

Requested: June 14, 2016

Introduced and read first time: January 11, 2017

Assigned to: Environment and Transportation

Committee Report: Favorable with amendments

House action: Adopted

Read second time: February 21, 2017

CHAPTER _____

1 AN ACT concerning

2 **Real Property – Common Ownership Communities – Statewide Registration**

3 FOR the purpose of requiring a cooperative housing corporation, a condominium, and a
4 homeowners association to register annually with the State Department of
5 Assessments and Taxation; exempting certain common ownership communities from
6 the applicability of this Act; establishing a Common Ownership Community Registry
7 in the Department; requiring the Department to work with any county that
8 maintains a local registry of common ownership communities under certain
9 circumstances; requiring the Department to establish a certain registration fee;
10 providing for a certain registration fee and certain contents of a registration form;
11 making a failure to register a civil violation subject to a certain fine; requiring the
12 Department to make a certain report annually to the General Assembly; establishing
13 that the Registry is not a public record subject to the Public Information Act;
14 providing that the Department may authorize access to the Registry only to certain
15 persons; ~~requiring the Department to report on or before a certain date to the~~
16 ~~General Assembly on recommendations for a training requirement for certain~~
17 ~~persons in a common ownership community;~~ defining certain terms; and generally
18 relating to the statewide registration of common ownership communities.

19 BY adding to

20 Article – Corporations and Associations

21 Section 5–6B–12.1

22 Annotated Code of Maryland

23 (2014 Replacement Volume and 2016 Supplement)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 BY adding to

2 Article – Real Property

3 Section 11–130.1 and 11B–115.2; and 14–701 through 14–707 to be under the new
4 subtitle “Subtitle 7. Registration of Common Ownership Communities”

5 Annotated Code of Maryland

6 (2015 Replacement Volume and 2016 Supplement)

7 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
8 That the Laws of Maryland read as follows:

9 **Article – Corporations and Associations**

10 **5–6B–12.1.**

11 **A COOPERATIVE HOUSING CORPORATION SHALL REGISTER ANNUALLY WITH**
12 **THE STATE DEPARTMENT OF ASSESSMENTS AND TAXATION AS REQUIRED UNDER**
13 **TITLE 14, SUBTITLE 7 OF THE REAL PROPERTY ARTICLE.**

14 **Article – Real Property**

15 **11–130.1.**

16 **A CONDOMINIUM THAT IS USED ONLY FOR RESIDENTIAL PURPOSES SHALL**
17 **REGISTER ANNUALLY WITH THE STATE DEPARTMENT OF ASSESSMENTS AND**
18 **TAXATION AS REQUIRED UNDER TITLE 14, SUBTITLE 7 OF THIS ARTICLE.**

19 **11B–115.2.**

20 **A HOMEOWNERS ASSOCIATION SHALL REGISTER ANNUALLY WITH THE STATE**
21 **DEPARTMENT OF ASSESSMENTS AND TAXATION AS REQUIRED UNDER TITLE 14,**
22 **SUBTITLE 7 OF THIS ARTICLE.**

23 **SUBTITLE 7. REGISTRATION OF COMMON OWNERSHIP COMMUNITIES.**

24 **14–701.**

25 **(A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS**
26 **INDICATED.**

27 **(B) “COMMON OWNERSHIP COMMUNITY” MEANS:**

28 **(1) A CONDOMINIUM AS DEFINED IN § 11–101 OF THIS ARTICLE THAT**
29 **IS USED ONLY FOR RESIDENTIAL PURPOSES;**

(2) A COOPERATIVE HOUSING CORPORATION AS DEFINED IN § 5-6B-01 OF THE CORPORATIONS AND ASSOCIATIONS ARTICLE; AND

(3) A HOMEOWNERS ASSOCIATION AS DEFINED IN § 11B-101 OF THIS ARTICLE.

(C) "DEPARTMENT" MEANS THE STATE DEPARTMENT OF ASSESSMENTS AND TAXATION.

(D) "REGISTRY" MEANS THE COMMON OWNERSHIP COMMUNITY REGISTRY.
14-702.

THIS SUBTITLE DOES NOT APPLY TO:

(1) (I) A COOPERATIVE HOUSING CORPORATION UNTIL 1 YEAR AFTER THE FIRST INITIAL SALE OF A COOPERATIVE INTEREST IN THE COOPERATIVE HOUSING CORPORATION;

(II) A CONDOMINIUM UNTIL 1 YEAR AFTER THE DEVELOPER HAS RECORDED THE DECLARATION FOR THE CONDOMINIUM IN THE LAND RECORDS OF THE COUNTY IN WHICH THE CONDOMINIUM IS LOCATED; OR

(III) A HOMEOWNERS ASSOCIATION UNTIL 1 YEAR AFTER THE DECLARANT HAS RECORDED THE DECLARATION FOR THE HOMEOWNERS ASSOCIATION IN THE LAND RECORDS OF THE COUNTY IN WHICH THE HOMEOWNERS ASSOCIATION IS LOCATED; ~~OR~~

(2) A HOMEOWNERS ASSOCIATION, OR A VILLAGE COMMUNITY ASSOCIATION AFFILIATED WITH THE HOMEOWNERS ASSOCIATION, THAT MANAGES MORE THAN 3,000 ACRES OF OPEN SPACE LAND AND MORE THAN 20,000 LOTS; OR

(3) A COMMON OWNERSHIP COMMUNITY THAT:

(I) IS LOCATED IN A COUNTY THAT MAINTAINS A REGISTRY OF COMMON OWNERSHIP COMMUNITIES AND REGULARLY SHARES WITH THE DEPARTMENT INFORMATION FROM THE COUNTY REGISTRY; AND

(II) IS REGISTERED IN THE COUNTY IN WHICH THE COMMON OWNERSHIP COMMUNITY IS LOCATED.

14-703.

(A) THERE IS A COMMON OWNERSHIP COMMUNITY REGISTRY IN THE DEPARTMENT.

(B) ON OR BEFORE JANUARY 1 EACH YEAR, A COMMON OWNERSHIP COMMUNITY SHALL REGISTER WITH THE DEPARTMENT ON THE FORM THE DEPARTMENT REQUIRES.

(C) THE GOVERNING BODY OF A COMMON OWNERSHIP COMMUNITY IS RESPONSIBLE FOR SATISFYING THE REQUIREMENTS OF THIS SUBTITLE.

(D) THE DEPARTMENT SHALL WORK WITH ANY COUNTY THAT MAINTAINS A LOCAL REGISTRY OF COMMON OWNERSHIP COMMUNITIES SO AS TO FACILITATE THE TRANSMITTAL OF INFORMATION FROM THE COUNTY.

14-704.

(A) THE DEPARTMENT SHALL ESTABLISH THE REGISTRATION FEE FOR A COMMON OWNERSHIP COMMUNITY SHALL BE \$3 NOT TO EXCEED \$10 PER YEAR.

(B) THE REGISTRATION FORM SHALL REQUIRE A COMMON OWNERSHIP COMMUNITY TO PROVIDE:

(1) THE NAME AND ADDRESS OF THE COMMON OWNERSHIP COMMUNITY, INCLUDING THE COUNTY IN WHICH THE COMMON OWNERSHIP COMMUNITY IS LOCATED;

(2) THE NUMBER AND TYPE OF RESIDENTIAL UNITS IN THE COMMON OWNERSHIP COMMUNITY;

~~(3) PROOF OF REGISTRATION AS A COMMON OWNERSHIP COMMUNITY WITH THE COUNTY IN WHICH THE COMMON OWNERSHIP COMMUNITY IS LOCATED, IF APPLICABLE;~~ IF APPLICABLE, THE NAME AND ADDRESS OF ANY OTHER COMMON OWNERSHIP COMMUNITY THAT IS GOVERNED BY THE COMMON OWNERSHIP COMMUNITY; AND

(4) THE NAME AND CONTACT INFORMATION OF:

~~(I) EACH OFFICER OR MEMBER OF THE BOARD OF DIRECTORS OR GOVERNING BODY OF THE COMMON OWNERSHIP COMMUNITY; AND~~

~~(H) ANY~~ THE PROPERTY MANAGER OR OTHER PERSON ~~Hired~~ EMPLOYED TO PROVIDE PROPERTY MANAGEMENT SERVICES FOR THE COMMON OWNERSHIP COMMUNITY; ~~AND OR~~

1 **(II) IF THE COMMON OWNERSHIP COMMUNITY DOES NOT**
2 **EMPLOY A PROPERTY MANAGER OR OTHER PERSON TO PROVIDE PROPERTY**
3 **MANAGEMENT SERVICES, ONE OR MORE INDIVIDUALS DESIGNATED BY THE BOARD**
4 **OF DIRECTORS OR GOVERNING BODY TO ANSWER INQUIRIES ON BEHALF OF THE**
5 **COMMON OWNERSHIP COMMUNITY.**

6 ~~**(5) ANY OTHER INFORMATION RELEVANT TO THE REGISTRATION**~~
7 ~~**REQUIRED BY THE DEPARTMENT.**~~

8 **14-705.**

9 **(A) EXCEPT AS PROVIDED IN SUBSECTION (B) OF THIS SECTION, FAILURE**
10 **TO REGISTER AS REQUIRED UNDER THIS SUBTITLE IS A CIVIL VIOLATION SUBJECT**
11 **TO A FINE OF \$50.**

12 **(B) THE DEPARTMENT MAY WAIVE THE IMPOSITION OF A FINE IF THE**
13 **REGISTRATION FORM AND REGISTRATION FEE ARE SUBMITTED WITHIN 30 DAYS**
14 **AFTER NOTIFICATION FROM THE DEPARTMENT OF THE FAILURE TO REGISTER.**

15 **14-706.**

16 **ON OR BEFORE JANUARY 1, ~~2019~~ 2018, AND EACH YEAR THEREAFTER, THE**
17 **DEPARTMENT SHALL REPORT TO THE GENERAL ASSEMBLY, IN ACCORDANCE WITH**
18 **§ 2-1246 OF THE STATE GOVERNMENT ARTICLE, ON ~~THE~~:**

19 **(1) THE IMPLEMENTATION OF THIS SUBTITLE; AND**

20 **(2) THE DATA OBTAINED FROM THE REGISTRATION REQUIREMENTS**
21 **OF THIS SUBTITLE AND ANY COUNTY THAT SHARES WITH THE DEPARTMENT**
22 **INFORMATION FROM THE COUNTY'S REGISTRY OF COMMON OWNERSHIP**
23 **COMMUNITIES.**

24 **14-707.**

25 **(A) THE REGISTRY:**

26 **(1) IS NOT A PUBLIC RECORD AS DEFINED BY § 4-101 OF THE**
27 **GENERAL PROVISIONS ARTICLE; AND**

28 **(2) IS NOT SUBJECT TO TITLE 4 OF THE GENERAL PROVISIONS**
29 **ARTICLE.**

(B) THE DEPARTMENT MAY AUTHORIZE ACCESS TO THE REGISTRY ONLY TO LOCAL JURISDICTIONS, THEIR AGENCIES AND REPRESENTATIVES, AND STATE AGENCIES.

(C) NOTWITHSTANDING SUBSECTIONS (A) AND (B) OF THIS SECTION, THE DEPARTMENT OR A LOCAL JURISDICTION MAY PROVIDE INFORMATION FOR A SPECIFIC COMMON OWNERSHIP COMMUNITY IN THE REGISTRY TO:

(1) A PERSON WHO OWNS PROPERTY IN THE COMMON OWNERSHIP COMMUNITY; OR

(2) THE GOVERNING BODY OR PROPERTY MANAGER OF, OR THE ATTORNEY REPRESENTING, ANOTHER REGISTERED COMMON OWNERSHIP COMMUNITY.

~~SECTION 2. AND BE IT FURTHER ENACTED, That, on or before December 31, 2017, the State Department of Assessments and Taxation, in consultation with the Department of Labor, Licensing, and Regulation, the Montgomery County Office of Consumer Protection, and the Prince George's County Office of Community Relations, shall report to the General Assembly, in accordance with § 2-1246 of the State Government Article, on recommendations regarding training programs for members of the governing body and any property management services providers in a common ownership community.~~

~~SECTION 3.~~ AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2017.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.