

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

A BILL ENTITLED

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; providing for a certain registration fee and certain contents of a
8 registration form; making a failure to register a civil violation subject to a certain
9 fine; requiring the Department to make a certain report annually to the General
10 Assembly; establishing that the Registry is not a public record subject to the Public
11 Information Act; providing that the Department may authorize access to the
12 Registry only to certain persons; requiring the Department to report on or before a
13 certain date to the General Assembly on recommendations for a training
14 requirement for certain persons in a common ownership community; defining certain
15 terms; and generally relating to the statewide registration of common ownership
16 communities.

17 BY adding to
18 Article – Corporations and Associations
19 Section 5–6B–12.1
20 Annotated Code of Maryland
21 (2014 Replacement Volume and 2016 Supplement)

22 BY adding to
23 Article – Real Property
24 Section 11–130.1 and 11B–115.2; and 14–701 through 14–707 to be under the new
25 subtitle “Subtitle 7. Registration of Common Ownership Communities”
26 Annotated Code of Maryland
27 (2015 Replacement Volume and 2016 Supplement)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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

Article – Corporations and Associations

5–6B–12.1.

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

Article – Real Property

11–130.1.

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

11B–115.2.

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

SUBTITLE 7. REGISTRATION OF COMMON OWNERSHIP COMMUNITIES.

14–701.

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

(B) “COMMON OWNERSHIP COMMUNITY” MEANS:

(1) A CONDOMINIUM AS DEFINED IN § 11–101 OF THIS ARTICLE THAT
IS USED 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.

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.

14-704.

(A) THE REGISTRATION FEE FOR A COMMON OWNERSHIP COMMUNITY
SHALL BE \$3 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;

(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

(II) ANY PROPERTY MANAGER OR OTHER PERSON HIRED TO PROVIDE PROPERTY MANAGEMENT SERVICES FOR THE COMMON OWNERSHIP COMMUNITY; AND

(5) ANY OTHER INFORMATION RELEVANT TO THE REGISTRATION REQUIRED BY THE DEPARTMENT.

14-705.

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

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

14-706.

ON OR BEFORE JANUARY 1, 2019, AND EACH YEAR THEREAFTER, THE DEPARTMENT SHALL REPORT TO THE GENERAL ASSEMBLY, IN ACCORDANCE WITH § 2-1246 OF THE STATE GOVERNMENT ARTICLE, ON THE DATA OBTAINED FROM THE REGISTRATION REQUIREMENTS OF THIS SUBTITLE.

14-707.

(A) THE REGISTRY:

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

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

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

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

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

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

16 SECTION 2. AND BE IT FURTHER ENACTED, That, on or before December 31,
17 2017, the State Department of Assessments and Taxation, in consultation with the
18 Department of Labor, Licensing, and Regulation, the Montgomery County Office of
19 Consumer Protection, and the Prince George's County Office of Community Relations, shall
20 report to the General Assembly, in accordance with § 2-1246 of the State Government
21 Article, on recommendations regarding training programs for members of the governing
22 body and any property management services providers in a common ownership community.

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