

HOUSE BILL 1457

N1, I3, P1

4lr1456

By: **Delegate Holmes**

Introduced and read first time: February 12, 2024

Assigned to: Rules and Executive Nominations

A BILL ENTITLED

1 AN ACT concerning

2 **Common Ownership Communities – Ombudsman Unit, Governing Document**
3 **Database, and Local Commissions**

4 FOR the purpose of establishing the Common Ownership Community Ombudsman Unit in
5 the Division of Consumer Protection in the Office of the Attorney General to receive
6 and respond to certain complaints; requiring common ownership communities to file
7 certain documents with the Department of Housing and Community Development;
8 requiring the Department to establish a certain database; establishing requirements
9 for a local common ownership commission established by the local government of a
10 county; and generally relating to common ownership communities.

11 BY adding to
12 Article – Commercial Law
13 Section 13–207
14 Annotated Code of Maryland
15 (2013 Replacement Volume and 2023 Supplement)

16 BY adding to
17 Article – Housing and Community Development
18 Section 2–304
19 Annotated Code of Maryland
20 (2019 Replacement Volume and 2023 Supplement)

21 BY adding to
22 Article – Real Property
23 Section 11C–101 through 11C–114 to be under the new title “Title 11C. Local
24 Commissions on Common Ownership Communities”
25 Annotated Code of Maryland
26 (2023 Replacement Volume)

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 – Commercial Law

13–207.

(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS
INDICATED.

(2) “COMMON OWNERSHIP COMMUNITY” MEANS:

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

(II) A CONDOMINIUM AS DEFINED IN § 11–101 OF THE REAL
PROPERTY ARTICLE; OR

(III) A HOMEOWNERS ASSOCIATION AS DEFINED IN § 11B–101 OF
THE REAL PROPERTY ARTICLE.

(3) “GOVERNING BODY” MEANS:

(I) THE COUNCIL OF UNIT OWNERS OF A CONDOMINIUM;

(II) THE BOARD OF DIRECTORS OF A COOPERATIVE HOUSING
CORPORATION;

(III) A HOMEOWNERS ASSOCIATION, BOARD OF DIRECTORS, OR
OTHER ENTITY ESTABLISHED TO GOVERN A PROPERTY SUBJECT TO AN INSTRUMENT
THAT IMPOSES ON LOTS, OR ON THE OWNERS OR OCCUPANTS OF LOTS, ANY
MANDATORY FEE IN CONNECTION WITH THE PROVISION OF SERVICES OR
OTHERWISE FOR THE BENEFIT OF SOME OR ALL OF THE LOTS; OR

(IV) ANY OTHER BODY AUTHORIZED TO ADOPT RULES OR
REGULATIONS GOVERNING A CONDOMINIUM, COOPERATIVE HOUSING
CORPORATION, OR HOMEOWNERS ASSOCIATION.

(4) “GOVERNING DOCUMENTS” MEANS ANY BYLAW, COVENANT,
DECLARATION, RULE, PROPRIETARY LEASE, OR OTHER SIMILAR DOCUMENT OF A
COMMON OWNERSHIP COMMUNITY.

1 **(5) “LOCAL COMMISSION” MEANS A COMMISSION ON COMMON**
2 **OWNERSHIP COMMUNITIES ESTABLISHED BY A COUNTY, IN ACCORDANCE WITH §**
3 **11C-101 OF THE REAL PROPERTY ARTICLE.**

4 **(6) “MEMBER” MEANS:**

5 **(I) AN OCCUPANT OR A UNIT OWNER UNDER THE MARYLAND**
6 **CONDOMINIUM ACT;**

7 **(II) A LOT OWNER UNDER THE MARYLAND HOMEOWNERS**
8 **ASSOCIATION ACT; OR**

9 **(III) A MEMBER OF A COOPERATIVE HOUSING CORPORATION AS**
10 **DEFINED IN § 5-6B-01 OF THE CORPORATIONS AND ASSOCIATIONS ARTICLE.**

11 **(7) “UNIT” MEANS THE COMMON OWNERSHIP COMMUNITY**
12 **OMBUDSMAN UNIT IN THE OFFICE OF THE ATTORNEY GENERAL.**

13 **(B) THERE IS A COMMON OWNERSHIP COMMUNITY OMBUDSMAN UNIT IN**
14 **THE DIVISION OF CONSUMER PROTECTION.**

15 **(C) THE PURPOSE OF THE UNIT IS:**

16 **(1) TO MONITOR CHANGES IN FEDERAL AND STATE LAWS RELATING**
17 **TO COMMON OWNERSHIP COMMUNITIES;**

18 **(2) TO PUBLISH INFORMATION CONCERNING COMMON OWNERSHIP**
19 **COMMUNITIES ON THE WEBSITE OF THE OFFICE OF THE ATTORNEY GENERAL;**

20 **(3) TO ASSIST MEMBERS IN UNDERSTANDING RIGHTS AND**
21 **PROCESSES AVAILABLE TO MEMBERS UNDER LAWS AND REGULATIONS GOVERNING**
22 **COMMON OWNERSHIP COMMUNITIES; AND**

23 **(4) ON REQUEST, TO PROVIDE REFERRALS TO PUBLIC AND PRIVATE**
24 **ALTERNATIVE DISPUTE RESOLUTION SERVICES, WITH A GOAL OF REDUCING AND**
25 **RESOLVING CONFLICTS AMONG GOVERNING BODIES AND MEMBERS.**

26 **(D) THE UNIT SHALL INCLUDE:**

27 **(1) A FULL-TIME COMMON OWNERSHIP COMMUNITY OMBUDSMAN;**
28 **AND**

29 **(2) STAFF AS PROVIDED IN THE STATE BUDGET.**

1 **(E) (1) THE ATTORNEY GENERAL SHALL APPOINT THE COMMON**
2 **OWNERSHIP COMMUNITY OMBUDSMAN.**

3 **(2) THE COMMON OWNERSHIP COMMUNITY OMBUDSMAN MUST BE A**
4 **MEMBER OF THE MARYLAND BAR.**

5 **(F) THE UNIT SHALL RECEIVE AND RESPOND TO COMPLAINTS BY MEMBERS**
6 **REGARDING FINAL ADVERSE DECISIONS BY A GOVERNING BODY OR COMMON**
7 **OWNERSHIP COMMUNITY MANAGER.**

8 **(G) IN RESPONSE TO A COMPLAINT, OR ON THE INITIATIVE OF THE**
9 **OMBUDSMAN, THE UNIT SHALL:**

10 **(1) REFER THE COMPLAINT TO AN APPROPRIATE LOCAL COMMISSION**
11 **FOR FURTHER REVIEW OF WHETHER THE FINAL ADVERSE DECISION CONFLICTS**
12 **WITH LAWS OR REGULATIONS GOVERNING COMMON OWNERSHIP COMMUNITIES IN**
13 **THE JURISDICTION; OR**

14 **(2) MAKE A DETERMINATION OF WHETHER THE FINAL ADVERSE**
15 **DECISION CONFLICTS WITH LAWS OR REGULATIONS GOVERNING COMMON**
16 **OWNERSHIP COMMUNITIES AND PROMPTLY NOTIFY THE COMPLAINANT OF THE**
17 **DETERMINATION.**

18 **(H) (1) IF THE UNIT DETERMINES THAT A FINAL ADVERSE DECISION**
19 **CONFLICTS WITH LAW OR REGULATIONS GOVERNING COMMON OWNERSHIP**
20 **COMMUNITIES, THE UNIT SHALL PROMPTLY NOTIFY THE MEMBER, THE GOVERNING**
21 **BOARD, AND, IF APPLICABLE, THE COMMON OWNERSHIP COMMUNITY MANAGER,**
22 **THAT THE ADVERSE DECISION CONFLICTS WITH LAWS OR REGULATIONS**
23 **GOVERNING COMMON OWNERSHIP COMMUNITIES.**

24 **(2) IF WITHIN 1 YEAR AFTER ISSUING A DETERMINATION, THE**
25 **OMBUDSMAN RECEIVES A SUBSEQUENT COMPLAINT OF A FINAL ADVERSE DECISION**
26 **FOR THE SAME VIOLATION, THE UNIT SHALL REFER THE MATTER TO THE**
27 **APPROPRIATE LOCAL COMMISSION.**

28 **(I) (1) ON OR BEFORE DECEMBER 1, 2026, AND EACH DECEMBER 1**
29 **THEREAFTER, THE UNIT SHALL REPORT TO THE DEPARTMENT OF HOUSING AND**
30 **COMMUNITY DEVELOPMENT AND, IN ACCORDANCE WITH § 2-1257 OF THE STATE**
31 **GOVERNMENT ARTICLE, THE GENERAL ASSEMBLY ON THE ACTIVITIES OF THE**
32 **UNIT DURING THE REPORTING PERIOD.**

1 **(2) THE REPORT REQUIRED UNDER PARAGRAPH (1) OF THIS**
2 **SUBSECTION SHALL INCLUDE:**

3 **(I) THE NUMBER OF COMPLAINTS RECEIVED BY THE UNIT;**

4 **(II) THE TYPES OF ASSISTANCE REQUESTED;**

5 **(III) ACTIONS TAKEN BY THE UNIT;**

6 **(IV) THE NUMBER OF REFERRALS MADE TO LOCAL**
7 **COMMISSIONS; AND**

8 **(V) DATA ON DISPOSITIONS AND OUTCOMES OF COMPLAINTS**
9 **RECEIVED.**

10 **Article – Housing and Community Development**

11 **2–304.**

12 **(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS**
13 **INDICATED.**

14 **(2) “COMMON OWNERSHIP COMMUNITY” HAS THE MEANING STATED**
15 **IN § 2–303 OF THIS SUBTITLE.**

16 **(3) “GOVERNING DOCUMENTS” MEANS AN OFFERING STATEMENT,**
17 **DECLARATION, BYLAWS, RULES, REGULATIONS, PROPRIETARY LEASE, OR OTHER**
18 **SIMILAR DOCUMENT OF A COMMON OWNERSHIP COMMUNITY.**

19 **(B) (1) A COMMON OWNERSHIP COMMUNITY LOCATED IN THE STATE**
20 **SHALL FILE WITH THE DEPARTMENT A COPY OF THE GOVERNING DOCUMENTS, AND**
21 **ANY AMENDMENTS TO THE GOVERNING DOCUMENTS, OF THE COMMON OWNERSHIP**
22 **COMMUNITY.**

23 **(2) A COMMON OWNERSHIP COMMUNITY THAT FAILS TO MAKE A**
24 **FILING REQUIRED UNDER PARAGRAPH (1) OF THIS SUBSECTION IS SUBJECT TO A**
25 **FINE OF \$500.**

26 **(C) (1) THE DEPARTMENT SHALL DEVELOP AND MAINTAIN A DATABASE**
27 **OF GOVERNING DOCUMENTS FILED WITH THE DEPARTMENT UNDER SUBSECTION**
28 **(B) OF THIS SECTION ACCESSIBLE TO THE PUBLIC THROUGH THE DEPARTMENT’S**
29 **WEBSITE DESCRIBED IN § 2–303 OF THIS SUBTITLE.**

(2) THE DEPARTMENT MAY CHARGE THE FOLLOWING FEES FOR FILINGS REQUIRED UNDER THIS SECTION:

(I) FOR AN INITIAL FILING, UP TO \$100; AND

(II) FOR ANY AMENDMENT TO A GOVERNING DOCUMENT, UP TO \$25.

Article – Real Property

TITLE 11C. LOCAL COMMISSIONS ON COMMON OWNERSHIP COMMUNITIES.

11C–101.

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

(B) “COMMON ELEMENT” MEANS:

(1) ANY PORTION OF A COMMON OWNERSHIP COMMUNITY OTHER THAN THE UNITS OF A CONDOMINIUM OR COOPERATIVE; AND

(2) PROPERTY THAT IS OWNED OR LEASED BY A HOMEOWNERS ASSOCIATION.

(C) (1) “COMMON OWNERSHIP COMMUNITY” MEANS:

(I) A CONDOMINIUM AS DEFINED IN § 11–101 OF THIS ARTICLE THAT IS USED FOR RESIDENTIAL PURPOSES;

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

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

(2) “COMMON OWNERSHIP COMMUNITY” DOES NOT INCLUDE A TIME–SHARE PROJECT AS DEFINED IN § 11A–101 OF THIS ARTICLE.

(D) (1) “DISPUTE” MEANS A DISAGREEMENT BETWEEN AT LEAST TWO PARTIES THAT INVOLVES:

1 **(I) THE AUTHORITY OF A GOVERNING BODY OF A COMMON**
2 **OWNERSHIP COMMUNITY TO:**

3 1. **REQUIRE OR PROHIBIT ANY ACTION INVOLVING A**
4 **UNIT OR COMMON ELEMENT;**

5 2. **REQUIRE ANY PERSON TO PAY A FEE, A FINE, OR AN**
6 **ASSESSMENT;**

7 3. **SPEND COMMON OWNERSHIP COMMUNITY FUNDS; OR**

8 4. **ALTER OR ADD TO A COMMON ELEMENT; OR**

9 **(II) THE FAILURE OF A GOVERNING BODY OF A COMMON**
10 **OWNERSHIP COMMUNITY TO:**

11 1. **PROPERLY CONDUCT AN ELECTION;**

12 2. **GIVE ADEQUATE NOTICE OF A MEETING OR OTHER**
13 **ACTION;**

14 3. **PROPERLY CONDUCT A MEETING;**

15 4. **PROPERLY ADOPT A BUDGET OR RULES;**

16 5. **MAINTAIN OR AUDIT BOOKS AND RECORDS;**

17 6. **ALLOW INSPECTION OF BOOKS AND RECORDS;**

18 7. **MAINTAIN OR REPAIR A COMMON ELEMENT IF THE**
19 **FAILURE RESULTS IN SIGNIFICANT PERSONAL INJURY OR PROPERTY DAMAGE; OR**

20 8. **EXERCISE ITS JUDGMENT IN GOOD FAITH**
21 **CONCERNING THE ENFORCEMENT OF THE ASSOCIATION DOCUMENTS AGAINST ANY**
22 **PERSON THAT IS SUBJECT TO THOSE DOCUMENTS.**

23 **(2) “DISPUTE” DOES NOT INCLUDE A DISAGREEMENT THAT**
24 **INVOLVES:**

25 **(I) TITLE TO ANY UNIT OR COMMON ELEMENT;**

26 **(II) THE PERCENTAGE INTEREST OR VOTE ALLOCABLE TO A**
27 **UNIT;**

(III) THE INTERPRETATION OR ENFORCEMENT OF ANY WARRANTY;

(IV) THE COLLECTION OF AN ASSESSMENT VALIDLY LEVIED AGAINST A PARTY; OR

(V) THE EXERCISE OF THE JUDGMENT OR DISCRETION OF A COMMON OWNERSHIP OF A COMMUNITY REGARDING ANY LEGALLY AUTHORIZED ACTION.

(E) "GOVERNING BODY OF A COMMON OWNERSHIP COMMUNITY" MEANS:

(1) THE COUNCIL OF UNIT OWNERS OF A CONDOMINIUM;

(2) THE BOARD OF DIRECTORS OF A COOPERATIVE HOUSING CORPORATION;

(3) A HOMEOWNERS ASSOCIATION, BOARD OF DIRECTORS, OR OTHER ENTITY ESTABLISHED TO GOVERN A PROPERTY SUBJECT TO AN INSTRUMENT THAT IMPOSES ON LOTS, OR ON THE OWNERS OR OCCUPANTS OF LOTS, ANY MANDATORY FEE IN CONNECTION WITH THE PROVISION OF SERVICES OR OTHERWISE FOR THE BENEFIT OF SOME OR ALL OF THE LOTS; OR

(4) ANY OTHER BODY AUTHORIZED TO ADOPT RULES OR REGULATIONS GOVERNING A CONDOMINIUM, COOPERATIVE HOUSING CORPORATION, OR HOMEOWNERS ASSOCIATION.

(F) (1) "GOVERNING DOCUMENT" MEANS:

(I) THE MASTER DEED, DECLARATION, INCORPORATION DOCUMENT, BYLAWS, OR RULES OF ANY COMMON OWNERSHIP COMMUNITY;

(II) A WRITTEN PRIVATE AGREEMENT BETWEEN PARTIES CONCERNING THE OPERATION OF THE COMMUNITY OR MAINTENANCE OR CONTROL OF COMMON OR LIMITED COMMON PROPERTY; OR

(III) A DOCUMENT CONCERNING THE OPERATION OR GOVERNANCE OF A COMMON OWNERSHIP COMMUNITY.

(2) "GOVERNING DOCUMENT" DOES NOT INCLUDE A LEASE UNLESS THE LEASE PROVIDES THAT IT MAY BE ENFORCED UNDER THIS TITLE.

(G) "LOCAL COMMISSION" MEANS A COMMISSION ON COMMON OWNERSHIP COMMUNITIES ESTABLISHED BY A COUNTY IN ACCORDANCE WITH THIS TITLE.

(H) "LOCAL GOVERNMENT" MEANS:

(1) THE COUNTY COMMISSIONERS OR COUNTY COUNCIL OF A COUNTY;

(2) IF THE CHARTER OF THE COUNTY PROVIDES FOR A COUNTY EXECUTIVE, THE COUNTY EXECUTIVE AND THE COUNTY COUNCIL; OR

(3) THE MAYOR AND CITY COUNCIL OF BALTIMORE CITY.

(I) "OWNER" MEANS:

(1) A UNIT OWNER IN A CONDOMINIUM;

(2) A MEMBER OF A COOPERATIVE HOUSING CORPORATION; OR

(3) A LOT OWNER IN A HOMEOWNERS ASSOCIATION.

11C-102.

THE PROVISIONS OF THIS TITLE SUPERSEDE ANY INCONSISTENT PROVISIONS OF LOCAL LAW THAT CONFLICT WITH THIS TITLE TO THE EXTENT OF THE CONFLICT.

11C-103.

(A) A LOCAL COMMISSION ON COMMON OWNERSHIP COMMUNITIES ESTABLISHED BY THE LOCAL GOVERNMENT OF A COUNTY BY LOCAL LAW SHALL COMPLY WITH THE REQUIREMENTS OF THIS TITLE.

(B) (1) (I) SUBJECT TO SUBPARAGRAPH (II) OF THIS PARAGRAPH, A LOCAL COMMISSION SHALL INCLUDE MEMBERS WHO:

1. ARE OWNERS IN A COMMON OWNERSHIP COMMUNITY;

AND

2. REPRESENT PROFESSIONS ASSOCIATED WITH COMMON OWNERSHIP COMMUNITIES, INCLUDING INDIVIDUALS INVOLVED IN HOUSING DEVELOPMENT OR REAL ESTATE SALES, DEVELOPERS, OR ATTORNEYS WHO REPRESENT COMMON OWNERSHIP COMMUNITIES INCLUDING AT LEAST ONE MEMBER WHO IS A LICENSED COMMON OWNERSHIP COMMUNITY MANAGER.

(II) THE LOCAL GOVERNMENT SHALL DETERMINE THE TOTAL
NUMBER OF MEMBERS OF THE LOCAL COMMISSION.

(2) THE FOLLOWING INDIVIDUALS SHALL SERVE AS NONVOTING
MEMBERS OF A LOCAL COMMISSION:

(I) A DESIGNEE OF THE LOCAL GOVERNMENT; AND

(II) A DESIGNEE OF A COUNTY AGENCY DEALING WITH:

1. PLANNING;

2. ENVIRONMENT;

3. PERMITTING;

4. TRANSPORTATION; OR

5. HOUSING AND COMMUNITY AFFAIRS.

(C) THE CHAIR AND VICE CHAIR OF A LOCAL COMMISSION SHALL BE
ELECTED FROM AMONG THE VOTING MEMBERSHIP OF THE LOCAL COMMISSION.

(D) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, A LOCAL
GOVERNMENT ESTABLISHING A LOCAL COMMISSION SHALL ADOPT PROCEDURES
FOR THE APPOINTMENT AND TERMS OF MEMBERS OF THE LOCAL COMMISSION.

(2) A MEMBER OF A LOCAL COMMISSION MAY NOT SERVE MORE THAN
2 CONSECUTIVE TERMS.

11C-104.

(A) A MAJORITY OF THE TOTAL MEMBERSHIP OF A LOCAL COMMISSION
SHALL CONSTITUTE A QUORUM.

(B) A LOCAL COMMISSION SHALL MEET AT LEAST MONTHLY AND
DETERMINE THE TIMES AND PLACES OF ITS MEETINGS.

(C) A MEMBER OF A LOCAL COMMISSION:

(1) MAY NOT RECEIVE COMPENSATION AS A MEMBER OF THE LOCAL
COMMISSION; BUT

1 **(2) IS ENTITLED TO REIMBURSEMENT FOR EXPENSES UNDER THE**
2 **STANDARD COUNTY TRAVEL REGULATIONS.**

3 **(D) (1) A LOCAL COMMISSION SHALL:**

4 **(I) ADOPT RULES OF PROFESSIONAL CONDUCT AS**
5 **APPROPRIATE FOR MEMBERS AND STAFF;**

6 **(II) KEEP A RECORD OF ITS PROCEEDINGS;**

7 **(III) EXAMINE THE NEEDS OF COMMON OWNERSHIP**
8 **COMMUNITIES IN THE COUNTY;**

9 **(IV) ADVISE COUNTY GOVERNMENT AND APPROPRIATE STATE**
10 **AND FEDERAL AGENCIES ON MATTERS RELATING TO COMMON OWNERSHIP**
11 **COMMUNITIES; AND**

12 **(V) PROVIDE TRAINING ON THE RESPONSIBILITIES OF A LOCAL**
13 **COMMISSION'S MEMBERS TO THE GOVERNING BODY OF A COMMON OWNERSHIP**
14 **COMMUNITY BY:**

15 **1. DEVELOPING AN EDUCATIONAL CURRICULUM FOR**
16 **NEW MEMBERS; AND**

17 **2. APPROVING AN ALTERNATIVE EDUCATIONAL**
18 **CURRICULUM FOR NEW MEMBERS.**

19 **(2) A LOCAL COMMISSION MAY:**

20 **(I) EMPLOY STAFF AS AUTHORIZED BY A LOCAL GOVERNMENT;**

21 **(II) ESTABLISH A PROCESS FOR RESOLVING DISCIPLINARY**
22 **MATTERS PENDING BEFORE THE LOCAL COMMISSION THROUGH NONJUDICIAL**
23 **DISPUTE RESOLUTION PROCESSES;**

24 **(III) DEVELOP EDUCATIONAL AND TRAINING OPPORTUNITIES**
25 **FOR GOVERNING BODIES;**

26 **(IV) ADOPT ADDITIONAL BYLAWS NECESSARY TO CARRY OUT**
27 **THE BUSINESS OF THE LOCAL COMMISSION; AND**

(V) ADOPT ANY ADDITIONAL REGULATIONS, PROCEDURES, OR STANDARDS CONSISTENT WITH THE MISSION OF THE LOCAL COMMISSION AND TO CARRY OUT THE REQUIREMENTS OF THIS TITLE.

11C-105.

(A) A LOCAL LAW ESTABLISHING A LOCAL COMMISSION SHALL REQUIRE COMMON OWNERSHIP COMMUNITIES IN THE COUNTY TO REGISTER WITH THE LOCAL COMMISSION ANNUALLY ON A FORM THAT IDENTIFIES:

(1) THE ELECTED LEADERSHIP OF THE COMMON OWNERSHIP COMMUNITY; AND

(2) THE MANAGING AGENTS OF THE COMMON OWNERSHIP COMMUNITY.

(B) A COMMON OWNERSHIP COMMUNITY THAT FAILS TO REGISTER OR MAKES A FALSE STATEMENT ON A REGISTRATION FORM IS INELIGIBLE TO FILE A DISPUTE.

11C-106.

(A) A LOCAL LAW ESTABLISHING A LOCAL COMMISSION MAY AUTHORIZE THE COLLECTION OF A REASONABLE FEE FOR SERVICES PROVIDED BY THE LOCAL COMMISSION.

(B) ANY AUTHORIZED FEE SHALL BE USED TO COVER THE COST OF MAINTAINING THE LOCAL COMMISSION AND MAY INCLUDE:

(1) A PER UNIT ANNUAL CHARGE TO COMMON OWNERSHIP COMMUNITIES TO RENEW REGISTRATION;

(2) FEES FOR DISPUTE RESOLUTION UNDER § 11C-110 OF THIS TITLE, SERVICE, AND TECHNICAL ASSISTANCE; AND

(3) A PER UNIT CHARGE TO DEVELOPERS FOR THE RECORDATION OF DOCUMENTS.

(C) IF THE COLLECTION OF A FEE BY A LOCAL COMMISSION IS AUTHORIZED UNDER THIS SECTION, THE LOCAL COMMISSION SHALL PUBLISH THE FEE SCHEDULE.

11C-107.

1 **A LOCAL GOVERNMENT THAT ESTABLISHES A LOCAL COMMISSION SHALL**
2 **DESIGNATE A COUNTY AGENCY OR OFFICE TO:**

3 **(1) DISSEMINATE EDUCATIONAL MATERIALS REGARDING PROGRAMS**
4 **THAT ASSIST COMMON OWNERSHIP COMMUNITIES;**

5 **(2) CONDUCT EDUCATIONAL PROGRAMS TO PROMOTE THE**
6 **OPERATION OF COMMON OWNERSHIP COMMUNITIES;**

7 **(3) MAINTAIN A LIST OF:**

8 **(I) COMMON OWNERSHIP COMMUNITIES IN THE COUNTY,**
9 **INCLUDING THE LEADERSHIP OF EACH COMMON OWNERSHIP COMMUNITY; AND**

10 **(II) PROFESSIONAL MANAGEMENT COMPANIES THAT PROVIDE**
11 **SERVICES TO COMMON OWNERSHIP COMMUNITIES IN THE COUNTY;**

12 **(4) MAINTAIN INFORMATION AND A REFERRAL SYSTEM FOR ALL**
13 **COUNTY SERVICES RELATED TO COMMON OWNERSHIP COMMUNITIES;**

14 **(5) MAINTAIN A COLLECTION OF GOVERNING DOCUMENTS;**

15 **(6) PROVIDE TECHNICAL ASSISTANCE TO GOVERNING BODIES ON**
16 **MATTERS INCLUDING:**

17 **(I) LEADERSHIP TRANSITION;**

18 **(II) ELECTIONS;**

19 **(III) ADOPTION OF RULES;**

20 **(IV) ENFORCEMENT OF RULES;**

21 **(V) SELECTION OF ASSOCIATION MANAGERS; AND**

22 **(VI) STORMWATER MANAGEMENT;**

23 **(7) MAINTAIN AN OPERATIONS MANUAL TO GUIDE COMMON**
24 **OWNERSHIP COMMUNITY LEADERSHIP;**

(8) ADVISE COMMON OWNERSHIP COMMUNITIES AND PROFESSIONAL ASSOCIATION MANAGERS OF CHANGES IN THE LAWS AND REGULATIONS THAT AFFECT THEIR COMMUNITIES OR OPERATIONS; AND

(9) OPERATE A DISPUTE RESOLUTION PROCESS TO FURNISH MEDIATION AND ADMINISTRATIVE HEARINGS.

11C-108.

(A) A LOCAL COMMISSION MAY HEAR ANY DISPUTE BETWEEN PARTIES.

(B) A PARTY MAY NOT FILE A DISPUTE WITH A LOCAL COMMISSION UNTIL:

(1) THE PARTY HAS MADE A GOOD FAITH EFFORT TO EXHAUST ALL PROCEDURES AND REMEDIES PROVIDED BY THE GOVERNING DOCUMENTS OF THE COMMON OWNERSHIP COMMUNITY; AND

(2) AT LEAST 60 DAYS AFTER ANY PROCEDURE OR REMEDY HAS BEEN INITIATED WITH THE GOVERNING BODY OF A COMMON OWNERSHIP COMMUNITY.

(C) (1) IF THE GOVERNING BODY OF A COMMON OWNERSHIP COMMUNITY DETERMINES THAT A DISPUTE EXISTS, THE GOVERNING BODY OF THE COMMON OWNERSHIP COMMUNITY SHALL NOTIFY THE OTHER PARTIES OF THE OPTION TO FILE THE DISPUTE WITH A LOCAL COMMISSION.

(2) THE GOVERNING BODY OF A COMMON OWNERSHIP COMMUNITY MAY NOT TAKE ACTION TO ENFORCE OR IMPLEMENT THE DECISION OF THE GOVERNING BODY FOR 14 DAYS FOLLOWING NOTIFICATION OF ALL OTHER PARTIES.

(D) EXCEPT AS PROVIDED IN § 11C-109 OF THIS TITLE, ON THE FILING OF A DISPUTE WITH A LOCAL COMMISSION, THE DECISION OF THE GOVERNING BODY OF A COMMON OWNERSHIP COMMUNITY SHALL BE STAYED AND MAY NOT BE ENFORCED OR IMPLEMENTED, OTHER THAN BY FILING A CIVIL ACTION, UNTIL THE COMPLETION OF THE DISPUTE PROCESS.

11C-109.

(A) (1) AT ANY TIME AFTER A DISPUTE IS FILED, THE GOVERNING BODY OF A COMMON OWNERSHIP COMMUNITY MAY SUBMIT A REQUEST TO LIFT AN AUTOMATIC STAY UNDER § 11C-108 OF THIS TITLE.

1 (2) IF A HEARING PANEL HAS NOT BEEN APPOINTED UNDER §
2 11C-112 OF THIS TITLE, THE LOCAL COMMISSION SHALL AUTHORIZE A SPECIAL
3 STANDING PANEL TO CONSIDER REQUESTS FOR RELIEF FROM STAYS.

4 (3) THE SPECIAL PANEL SHALL INCLUDE:

5 (I) THREE VOTING MEMBERS OF THE LOCAL COMMISSION
6 DESIGNATED BY THE CHAIR; AND

7 (II) AT LEAST ONE MEMBER DESCRIBED UNDER §
8 11C-103(B)(1)(I)1 OF THIS TITLE AND AT LEAST ONE MEMBER DESCRIBED UNDER §
9 11C-103(B)(1)(I)2 OF THIS TITLE.

10 (B) (1) A GOVERNING BODY OF A COMMON OWNERSHIP COMMUNITY
11 THAT REQUESTS RELIEF FROM A STAY SHALL SERVE A COPY OF ITS REQUEST ON ANY
12 PARTY NAMED IN THE DISPUTE BY CERTIFIED MAIL OR PERSONAL SERVICE.

13 (2) A CERTIFICATE OF SERVICE SHALL ACCOMPANY ANY REQUEST
14 SUBMITTED UNDER THIS SECTION.

15 (3) A PARTY SERVED WITH A COPY OF THE REQUEST SHALL FILE ANY
16 OPPOSITION TO THE REQUEST WITHIN 10 DAYS AFTER RECEIVING SERVICE.

17 (C) EXCEPT AS PROVIDED IN SUBSECTION (D) OF THIS SECTION, A REQUEST
18 FOR RELIEF FROM A STAY MAY BE GRANTED ONLY IF THE ASSIGNED PANEL FINDS
19 THAT:

20 (1) ENFORCING THE STAY WOULD RESULT IN UNDUE HARM TO THE
21 COMMON OWNERSHIP COMMUNITY; AND

22 (2) LIFTING THE STAY WILL NOT RESULT IN UNDUE HARM TO THE
23 RIGHTS OR INTERESTS OF ANY OPPOSING PARTY.

24 (D) IF A REQUEST FOR RELIEF FROM A STAY STATING FACTS SUFFICIENT TO
25 SHOW A NEED FOR IMMEDIATE ACTION IS NOT GRANTED OR DENIED WITHIN 20 DAYS
26 AFTER THE REQUEST WAS FILED, THE REQUEST SHALL BE DEEMED GRANTED.

27 11C-110.

28 (A) (1) FOLLOWING THE FILING OF A DISPUTE WITH A LOCAL
29 COMMISSION, AN AGENCY DESIGNATED BY A LOCAL GOVERNMENT UNDER §
30 11C-107 OF THIS TITLE MAY INVESTIGATE FACTS AND ASSEMBLE DOCUMENTS

1 RELEVANT TO THE DISPUTE AND MAY PREPARE A SUMMARY OF THE ISSUES IN THE
2 DISPUTE FOR USE BY THE LOCAL COMMISSION.

3 (2) THE DESIGNATED AGENCY OR OFFICE MAY NOTIFY A PARTY IF
4 THE DESIGNATED AGENCY OR OFFICE FINDS THAT A DISPUTE WAS NOT PROPERLY
5 FILED.

6 (3) THE DESIGNATED AGENCY OR OFFICE MAY NOTIFY EACH PARTY
7 OF THE DISPUTE REGARDING POSSIBLE SANCTIONS UNDER § 11C-112 OF THIS
8 TITLE.

9 (B) IF THE DESIGNATED AGENCY OR OFFICE FINDS THAT, ASSUMING ALL
10 FACTS ALLEGED BY THE PARTY THAT FILED THE DISPUTE ARE TRUE, THERE ARE NO
11 REASONABLE GROUNDS TO CONCLUDE THAT A VIOLATION OF APPLICABLE LAW OR
12 ANY GOVERNING DOCUMENT HAS OCCURRED, IT SHALL INFORM THE LOCAL
13 COMMISSION.

14 (C) ON RECEIPT OF THE RESULTS OF AN INVESTIGATION BY A DESIGNATED
15 AGENCY OR OFFICE, A LOCAL COMMISSION MAY:

16 (1) IF IT FINDS THAT THERE ARE NO REASONABLE GROUNDS TO
17 CONCLUDE THAT A VIOLATION OF APPLICABLE LAW OR ANY GOVERNING DOCUMENT
18 HAS OCCURRED, DISMISS THE DISPUTE;

19 (2) REQUEST ADDITIONAL INVESTIGATION BY THE DESIGNATED
20 AGENCY OR OFFICE; OR

21 (3) SCHEDULE A HEARING ON THE DISPUTE.

22 (D) A LOCAL COMMISSION MAY RECONSIDER THE DISMISSAL OF A DISPUTE
23 IF ANY PARTY FILES A MOTION TO RECONSIDER WITHIN 30 DAYS AFTER THE
24 DISPUTE IS DISMISSED, DEMONSTRATING THAT:

25 (1) THE COMMISSION ERRONEOUSLY INTERPRETED OR APPLIED
26 APPLICABLE LAW OR AN ASSOCIATION DOCUMENT; OR

27 (2) MATERIAL ISSUES OF FACT THAT ARE NECESSARY TO A FAIR
28 RESOLUTION OF THE DISPUTE REMAIN UNRESOLVED.

29 11C-111.

30 (A) (1) ANY PARTY IN A DISPUTE MAY REQUEST MEDIATION.

1 **(2) IF A PARTY REQUESTS MEDIATION, THE LOCAL COMMISSION**
2 **SHALL NOTIFY ALL PARTIES OF THE REQUEST AND OF THE MEDIATION SESSION.**

3 **(3) A LOCAL COMMISSION SHALL PROVIDE A QUALIFIED MEDIATOR**
4 **TO MEET WITH THE PARTIES WITHIN 30 DAYS AFTER A PARTY REQUESTS MEDIATION**
5 **TO ATTEMPT TO SETTLE THE DISPUTE.**

6 **(B) IF A PARTY REFUSES TO ATTEND A MEDIATION SESSION, OR IF**
7 **MEDIATION DOES NOT SUCCESSFULLY RESOLVE THE DISPUTE WITHIN 10 DAYS**
8 **AFTER THE FIRST MEDIATION SESSION IS HELD, THE LOCAL COMMISSION SHALL**
9 **PROMPTLY SCHEDULE A HEARING.**

10 **11C-112.**

11 **(A) (1) IF A HEARING IS SCHEDULED, THE CHAIR OF THE LOCAL**
12 **COMMISSION SHALL CONVENE A PANEL TO HEAR THE DISPUTE.**

13 **(2) THE CHAIR SHALL SELECT AT LEAST ONE MEMBER DESCRIBED**
14 **UNDER § 11C-103(B)(1)(I)1 OF THIS TITLE AND AT LEAST ONE MEMBER DESCRIBED**
15 **UNDER § 11C-103(B)(1)(I)2 OF THIS TITLE.**

16 **(3) THE LOCAL COMMISSION MEMBERS SELECTED BY THE CHAIR**
17 **SHALL DESIGNATE A THIRD MEMBER OF THE PANEL FROM A LIST OF VOLUNTEER**
18 **ARBITRATORS TRAINED OR EXPERIENCED IN COMMON OWNERSHIP COMMUNITY**
19 **ISSUES MAINTAINED BY THE LOCAL COMMISSION.**

20 **(4) IF A SUITABLE ARBITRATOR IS NOT AVAILABLE, THE CHAIR OF**
21 **THE LOCAL COMMISSION SHALL DESIGNATE:**

22 **(I) A THIRD PANELIST FROM AMONG THE VOTING MEMBERS OF**
23 **THE LOCAL COMMISSION; AND**

24 **(II) THE CHAIR OF THE PANEL.**

25 **(B) A PANELIST MAY NOT HAVE AN INTEREST IN THE DISPUTE TO BE HEARD.**

26 **(C) A HEARING PANEL SHALL HOLD A HEARING ON EACH DISPUTE THAT IS**
27 **NOT RESOLVED THROUGH MEDIATION UNDER § 11C-111 OF THIS TITLE UNLESS THE**
28 **LOCAL COMMISSION DETERMINES THAT THE DISPUTE IS:**

29 **(1) IDENTICAL TO ANOTHER DISPUTE BETWEEN THE SAME PARTIES**
30 **ON WHICH A HEARING HAS ALREADY BEEN HELD UNDER THIS SECTION; OR**

1 **(2) CLEARLY NOT WITHIN THE JURISDICTION OF THE LOCAL**
2 **COMMISSION.**

3 **(D) A LOCAL COMMISSION SHALL PROVIDE NOTICE OF A HEARING TO ALL**
4 **PARTIES NOT LESS THAN 30 DAYS BEFORE A HEARING, UNLESS THE LOCAL**
5 **COMMISSION DETERMINES THAT AN EXPEDITED HEARING IS NECESSARY, IN WHICH**
6 **CASE NOTICE SHALL BE PROVIDED TO ALL PARTIES AT LEAST 15 DAYS BEFORE A**
7 **HEARING.**

8 **(E) A PARTY OR WITNESS MAY BE ADVISED BY COUNSEL AT A HEARING.**

9 **(F) IF A PARTY, AFTER PROPER NOTICE, DOES NOT APPEAR AT THE**
10 **SCHEDULED HEARING, THE HEARING PANEL MAY ORDER ANY RELIEF FOR ANOTHER**
11 **PARTY THAT THE FACTS ON RECORD WARRANT.**

12 **(G) (1) THE HEARING PANEL SHALL APPLY STATE AND COUNTY LAWS**
13 **AND ALL RELEVANT CASE LAW TO THE FACTS OF THE DISPUTE.**

14 **(2) A DECISION OF THE HEARING PANEL IS BINDING ON THE PARTIES.**

15 **(H) (1) A LOCAL COMMISSION MAY ENFORCE A DECISION OF THE**
16 **HEARING PANEL BY APPROPRIATE LEGAL ACTION.**

17 **(2) IN ADDITION TO ANY OTHER ENFORCEMENT ACTION, A LOCAL**
18 **COMMISSION MAY:**

19 **(I) FILE FOR INJUNCTIVE RELIEF TO ENFORCE OR CORRECT**
20 **ANY VIOLATION OF THIS TITLE; AND**

21 **(II) FILE TO RECOVER DAMAGES FOR A LOSS SUSTAINED AS A**
22 **RESULT OF A VIOLATION OF THIS TITLE.**

23 **(I) A HEARING PANEL MAY AWARD COSTS, INCLUDING REASONABLE**
24 **ATTORNEY'S FEES, TO ANY PARTY IF ANY OTHER PARTY:**

25 **(1) FILED OR MAINTAINED A FRIVOLOUS DISPUTE, OR FILED OR**
26 **MAINTAINED A DISPUTE IN BAD FAITH;**

27 **(2) REFUSED TO PARTICIPATE IN MEDIATION OF A DISPUTE; OR**

28 **(3) SUBSTANTIALLY DELAYED OR HINDERED THE DISPUTE**
29 **RESOLUTION PROCESS WITHOUT GOOD CAUSE.**

(J) A HEARING PANEL MAY REQUIRE A LOSING PARTY IN A DISPUTE TO PAY ALL OR PART OF ANY FILING FEE.

(K) A LOCAL GOVERNMENT MAY:

(1) ESTABLISH ADDITIONAL HEARING PROCEDURES; AND

(2) ADOPT ADDITIONAL REQUIREMENTS RELATING TO WITNESSES AND EVIDENCE FOR A HEARING.

11C–113.

(A) A PARTY MAY APPEAL A DECISION OF A HEARING PANEL TO A COURT OF COMPETENT JURISDICTION.

(B) AN APPEAL OF A DECISION SHALL BE CONSOLIDATED WITH ANY CASE THAT ARISES OUT OF THE SAME FACTS.

(C) THE COURT HEARING AN APPEAL SHALL SUSTAIN THE DECISION OF THE HEARING PANEL UNLESS THE DECISION IS:

(1) INCONSISTENT WITH APPLICABLE LAW;

(2) LACKING SUBSTANTIAL EVIDENCE; OR

(3) ARBITRARY AND CAPRICIOUS.

11C–114.

(A) A PARTY MAY FILE A CIVIL ACTION ARISING OUT OF A GOVERNING DOCUMENT OR A LAW REGULATING THE POWERS OF A GOVERNING BODY OF A COMMON OWNERSHIP COMMUNITY.

(B) IF THE COURT IS NOTIFIED THAT A DISPUTE HAS BEEN FILED WITH A LOCAL COMMISSION IN ACCORDANCE WITH THIS TITLE, THE COURT MAY POSTPONE A PROCEEDING FOR AT LEAST 90 DAYS.

(C) THE COURT MAY HEAR THE ACTION DE NOVO IF A HEARING PANEL ASSIGNED TO THE DISPUTE HAS NOT ISSUED A DECISION UNDER § 11C–112 OF THIS TITLE.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2024.