

HOUSE BILL 558

N1
HB 279/24 – ENT

5lr2687

By: **Delegate Holmes**

Introduced and read first time: January 23, 2025

Assigned to: Environment and Transportation

A BILL ENTITLED

1 AN ACT concerning

2 **Common Ownership Communities – Local Commissions**

3 FOR the purpose of establishing requirements for a local commission on common ownership
4 communities established by the local government of a county; and generally relating
5 to the regulation of common ownership communities

6 BY adding to
7 Article – Real Property
8 Section 11C–101 through 11C–114 to be under the new title “Title 11C. Local
9 Commissions on Common Ownership Communities”
10 Annotated Code of Maryland
11 (2023 Replacement Volume and 2024 Supplement)

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

14 **Article – Real Property**

15 **TITLE 11C. LOCAL COMMISSIONS ON COMMON OWNERSHIP COMMUNITIES.**

16 **11C–101.**

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

19 (B) “COMMON ELEMENT” MEANS:

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

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



(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:

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

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

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

3. SPEND COMMON OWNERSHIP COMMUNITY FUNDS; OR

4. ALTER OR ADD TO A COMMON ELEMENT; OR

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

1. PROPERLY CONDUCT AN ELECTION;

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

3. PROPERLY CONDUCT A MEETING;

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

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

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

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

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

9 (2) **“DISPUTE” DOES NOT INCLUDE A DISAGREEMENT THAT**
10 **INVOLVES:**

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

12 (II) **THE PERCENTAGE INTEREST OR VOTE ALLOCABLE TO A**
13 **UNIT;**

14 (III) **THE INTERPRETATION OR ENFORCEMENT OF ANY**
15 **WARRANTY;**

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

18 (V) **THE EXERCISE OF THE JUDGMENT OR DISCRETION OF A**
19 **GOVERNING BODY OF A COMMON OWNERSHIP COMMUNITY REGARDING ANY**
20 **LEGALLY AUTHORIZED ACTION.**

21 (E) **“GOVERNING BODY OF A COMMON OWNERSHIP COMMUNITY” MEANS:**

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

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

25 (3) **A HOMEOWNERS ASSOCIATION, BOARD OF DIRECTORS, OR OTHER**
26 **ENTITY ESTABLISHED TO GOVERN A PROPERTY SUBJECT TO AN INSTRUMENT THAT**
27 **IMPOSES ON LOTS, OR ON THE OWNERS OR OCCUPANTS OF LOTS, ANY MANDATORY**
28 **FEE IN CONNECTION WITH THE PROVISION OF SERVICES OR OTHERWISE FOR THE**
29 **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.

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

3 11C-103.

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

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

9 1. ARE OWNERS IN A COMMON OWNERSHIP COMMUNITY;
10 AND

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

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

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

20 (I) A DESIGNEE OF THE LOCAL GOVERNMENT; AND

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

22 1. PLANNING;

23 2. ENVIRONMENT;

24 3. PERMITTING;

25 4. TRANSPORTATION; OR

26 5. HOUSING AND COMMUNITY AFFAIRS.

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

(D) (1) SUBJECT TO THE REQUIREMENTS OF 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 TWO 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

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

(D) (1) A LOCAL COMMISSION SHALL:

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

(II) KEEP A RECORD OF ITS PROCEEDINGS;

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

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

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

1 1. DEVELOPING AN EDUCATIONAL CURRICULUM FOR
2 NEW MEMBERS; AND

3 2. APPROVING AN ALTERNATIVE EDUCATIONAL
4 CURRICULUM FOR NEW MEMBERS.

5 (2) A LOCAL COMMISSION MAY:

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

7 (II) ESTABLISH A PROCESS FOR RESOLVING DISCIPLINARY
8 MATTERS PENDING BEFORE THE LOCAL COMMISSION THROUGH NONJUDICIAL
9 DISPUTE RESOLUTION PROCESSES;

10 (III) DEVELOP EDUCATIONAL AND TRAINING OPPORTUNITIES
11 FOR GOVERNING BODIES;

12 (IV) ADOPT ADDITIONAL BYLAWS NECESSARY TO CARRY OUT
13 THE BUSINESS OF THE LOCAL COMMISSION; AND

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

17 11C–105.

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

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

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

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

28 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, SERVICES, 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.

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

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

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

(3) MAINTAIN A LIST OF:

(i) COMMON OWNERSHIP COMMUNITIES IN THE COUNTY, INCLUDING THE LEADERSHIP OF THE COMMON OWNERSHIP COMMUNITIES; AND

(ii) PROFESSIONAL MANAGEMENT COMPANIES THAT PROVIDE SERVICES TO COMMON OWNERSHIP COMMUNITIES IN THE COUNTY;

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

(5) MAINTAIN A COLLECTION OF GOVERNING DOCUMENTS;

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

(I) LEADERSHIP TRANSITION;

(II) ELECTIONS;

(III) ADOPTION OF RULES;

(IV) ENFORCEMENT OF RULES;

(V) SELECTION OF ASSOCIATION MANAGERS; AND

(VI) STORMWATER MANAGEMENT;

(7) MAINTAIN AN OPERATIONS MANUAL TO GUIDE COMMON 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 THE PARTY HAS MADE A GOOD FAITH EFFORT TO EXHAUST ALL PROCEDURES AND REMEDIES PROVIDED BY THE GOVERNING DOCUMENTS OF THE COMMON OWNERSHIP COMMUNITY.

(C) A PARTY MAY FILE A DISPUTE WITH A LOCAL COMMISSION AT LEAST 60 DAYS AFTER A PROCEDURE OR REMEDY HAS BEEN INITIATED WITH THE GOVERNING BODY OF A COMMON OWNERSHIP COMMUNITY.

(D) (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 THE OTHER PARTIES.

(E) 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.

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

(3) THE SPECIAL PANEL SHALL INCLUDE:

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

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

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

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

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

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

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

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

5 (D) IF A REQUEST FOR RELIEF FROM A STAY STATING FACTS SUFFICIENT TO
6 SHOW A NEED FOR IMMEDIATE ACTION IS NOT GRANTED OR DENIED WITHIN 20 DAYS
7 AFTER THE REQUEST WAS FILED, THE REQUEST SHALL BE TREATED AS GRANTED.

8 11C–110.

9 (A) (1) FOLLOWING THE FILING OF A DISPUTE WITH A LOCAL
10 COMMISSION, AN AGENCY DESIGNATED BY A LOCAL GOVERNMENT UNDER §
11 11C–107 OF THIS TITLE MAY INVESTIGATE FACTS AND ASSEMBLE DOCUMENTS
12 RELEVANT TO THE DISPUTE AND MAY PREPARE A SUMMARY OF THE ISSUES IN THE
13 DISPUTE FOR USE BY THE LOCAL COMMISSION.

14 (2) THE DESIGNATED AGENCY OR OFFICE MAY NOTIFY A PARTY IF
15 THE DESIGNATED AGENCY OR OFFICE FINDS THAT A DISPUTE WAS NOT PROPERLY
16 FILED.

17 (3) THE DESIGNATED AGENCY OR OFFICE MAY NOTIFY EACH PARTY
18 OF THE DISPUTE REGARDING POSSIBLE SANCTIONS UNDER § 11C–112 OF THIS
19 TITLE.

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

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

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

30 (2) REQUEST ADDITIONAL INVESTIGATION BY THE DESIGNATED
31 AGENCY OR OFFICE; OR

(3) SCHEDULE A HEARING ON THE DISPUTE.

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

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

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

11C-111.

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

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

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

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

11C-112.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(3) SUBSTANTIALLY DELAYED OR HINDERED THE DISPUTE
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.

1 **11C–114.**

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

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

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

11 **SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect**
12 **October 1, 2025.**