

**Department of Legislative Services**  
 Maryland General Assembly  
 2024 Session

**FISCAL AND POLICY NOTE**  
**Third Reader - Revised**

Senate Bill 465

(Senator Kelly)

Judicial Proceedings

Environment and Transportation

**Common Ownership Communities - Electric Vehicle Recharging Equipment**  
**(Electric Vehicle Recharging Equipment Act of 2024)**

This bill establishes standards relating to the installation and use of electric vehicle recharging equipment in cooperative housing corporations. The bill also (1) extends existing procedures related to electric vehicle recharging equipment in condominiums and homeowners associations (HOAs) to include electric bicycles and (2) requires the Department of Housing and Community Development (DHCD) to include additional information on its website related to common ownership communities (COC). Furthermore, the bill alters standards and procedures for insurance coverage related to the installation and use of electric vehicle recharging equipment in condominiums and HOAs.

**Fiscal Summary**

**State Effect:** General fund expenditures for DHCD increase by \$41,700 in FY 2025; future years reflect annualization and inflation. Revenues are not affected.

(in dollars)	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	41,700	46,000	48,100	50,300	52,500
Net Effect	(\$41,700)	(\$46,000)	(\$48,100)	(\$50,300)	(\$52,500)

*Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate increase; (-) = indeterminate decrease*

**Local Effect:** The bill is not anticipated to materially affect local government finances or operations.

**Small Business Effect:** Minimal.

**Analysis**

**Bill Summary/Current Law:** The bill defines “electric vehicle recharging equipment” as property in the State that is used for recharging vehicles propelled by electricity, including motor vehicles *and electric bicycles*. The bill alters an existing definition applicable to

Titles 11 (Maryland Condominium Act) and 11B (Maryland Homeowners Association Act) of the Real Property Article related to electric vehicle recharging equipment in condominiums and HOAs to conform to this definition.

The general requirements for members of cooperatives and their governing body under the bill are shown in **Exhibit 1**.

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**Exhibit 1**  
**Installation of Electric Vehicle Recharging Equipment by Members in**  
**Cooperative Housing Corporations**

	<u>Co-op Member</u>	<u>Co-op Board</u>
Bylaws, covenants, or other restrictions against recharging equipment are void		Yes
Must use process for approval of architectural modifications		Yes
Must provide approval or denial in writing		Yes
Must approve installation in a member’s designated parking space if installation does not unreasonably impede normal use of the area and is reasonably possible and if the member agrees, in writing, to comply with specified restrictions and standards		Yes
May grant a license for up to three years, renewable at the discretion of the governing body, on any common element necessary for installation of equipment or supply of electricity		Yes
Request is deemed approved after 60 days unless reasonably delayed for additional information	Yes	Yes
Must agree, in writing, to comply with relevant building codes and with safety standards to maintain the safety of all members with possessory interest in common, engage a licensed contractor, and pay for separately metered electricity usage	Yes	
Must obtain necessary permits	Yes	
Must pay costs associated with installation, maintenance, damage, repair, replacement, removal, and electricity	Yes	
Must, prior to installation, provide certificate of insurance naming the cooperative as an additional insured or reimburse cooperative for cost of an increased insurance premium attributable to the equipment	Yes	

Co-op: Cooperative Housing Corporation

Note: “Board” refers to the governing body of a Cooperative Housing Corporation.

Source: Department of Legislative Services

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As referenced above, statute includes similar standards relating to the installation and use of electric vehicle recharging equipment in condominiums and HOAs. Under current law, a unit/lot owner must provide a certificate of insurance naming the condominium association/HOA as an additional insured or reimburse the association for the cost of an increased insurance premium attributable to the electric vehicle recharging equipment. The bill requires a unit/lot owner to provide the certificate of insurance *before* the installation of the equipment (consistent with the bill's requirement as shown above for cooperative members).

Furthermore, the bill requires, in condominiums, cooperative housing corporations, and HOAs, for insurance coverage of the electric vehicle recharging equipment to be maintained for as long as the equipment and all appurtenances to the equipment are installed.

#### *Department of Housing and Community Development – Website*

Under current law, DHCD is required to maintain a website that provides specified information on rights and responsibilities for individuals living in a COC. The bill also expands the information that DHCD must include on its website by requiring the following:

- a summary of the requirements for the governing body of a COC and for an individual seeking to install electric vehicle recharging equipment in a COC;
- information on contractors (including specific information on contractors certified through labor-management training programs) and insurers for the installation of electric vehicle recharging equipment in a COC;
- a point of contact in DHCD to assist individuals with questions relating to electric vehicle recharging equipment in COCs; and
- information on resources available to individuals living in COCs to aid in dispute resolution between the individual and the COC.

For more information on COCs, the common term for cooperative housing corporations, HOAs, and condominiums, see the **Appendix – Common Ownership Communities**.

**State Fiscal Effect:** General fund expenditures increase by \$41,686 in fiscal 2025, which accounts for the bill's October 1, 2024 effective date. This estimate reflects the cost of hiring one part-time development officer within DHCD to serve as the point of contact for inquiries, update the website, and provide information and resources to aid in dispute resolution. It includes a salary, fringe benefits, one-time start-up costs, and ongoing operating expenses.

Position	0.5
Salary and Fringe Benefits	\$34,834
Operating Expenses	<u>6,852</u>
<b>Total FY 2025 State Expenditures</b>	<b>\$41,686</b>

Future year expenditures reflect a full salary with annual increases and employee turnover as well as annual increases in ongoing operating expenses.

### Additional Information

**Recent Prior Introductions:** Similar legislation has not been introduced within the last three years.

**Designated Cross File:** HB 159 (Delegate Korman, *et al.*) - Environment and Transportation.

**Information Source(s):** Office of the Attorney General (Consumer Protection Division); Department of Housing and Community Development; Maryland Energy Administration; Department of Legislative Services

**Fiscal Note History:** First Reader - February 4, 2024  
 km/jkb Third Reader - March 19, 2024  
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## Appendix – Common Ownership Communities

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When a person purchases a single-family home, condominium, or an interest in a cooperative housing corporation, he or she may also be required to join an association of owners, which is intended to act in the common interests of all the homeowners, condominium unit owners, or cooperative owners in the community. Collectively, these associations are often referred to as common ownership communities (COCs). In Maryland, a growing number of newly constructed or newly converted residences are located in some form of a COC. Because registration of the various COCs is not required statewide, the exact number of COCs in Maryland is unknown. However, the Foundation for Community Association Research estimated that there were 7,100 community associations with an estimated 1 million residents in these associations in the State in 2023.

The affairs of a condominium are governed by a council of unit owners, which comprises all unit owners. Among other powers, the council of unit owners has the power to impose assessments on the unit owners to pay common expenses. A council of unit owners may delegate its powers to a board of directors, officers, or a managing agent. Condominiums are governed under Title 11 of the Real Property Article.

Many new housing developments are subject to a homeowners association (HOA) that is created by a governing document and has the authority to impose mandatory fees on lots in the development in connection with the provision of services or for the benefit of the lots, the lot owners, or the common areas. HOAs are governed under Title 11B of the Real Property Article.

A cooperative housing corporation or “cooperative” is a corporation that owns real property. A resident of a cooperative does not own his or her unit; instead, the person owns an interest in the corporation, which leases the unit to the person for residential use. Cooperatives are governed by the laws in Title 5, Subtitle 6B of the Corporations and Associations Article.

Condominiums and HOAs may be authorized by their governing documents to impose liens on units or lots to collect unpaid assessments or fees. In a cooperative, the governing documents usually provide for the collection of delinquent fees, and evictions for outstanding fees are generally pursued by way of a landlord-tenant action.

### *Task Force on Common Ownership Communities*

With a growing number of Marylanders residing in COCs, and evidence that some COCs had issues with governance, dispute resolution, and financial stability, the

General Assembly created the Task Force on Common Ownership Communities in 2005 (Chapter 469 of 2005). The issues addressed by the task force included the availability of alternative dispute resolution services, special considerations of aging COCs, collection of assessments, and resale of homes within COCs. The task force met 10 times, held five public hearings, and submitted its [final report](#) in December 2006. The report's findings and recommendations have served, in subsequent years, as the basis for numerous pieces of legislation intended to improve the operation of COCs.

The task force's report also featured findings and recommendations relating to the creation of an ombudsman in local governments. Since the report's release, Prince George's County created its Common Ownership Communities Program in 2007 with the stated purpose of assisting governing bodies, as well as owners and residents of HOAs, residential condominiums, and cooperative housing corporations, with education, training, and alternative dispute resolution. Charles and Montgomery counties have offices dedicated to COCs that predate the task force.