

February 18, 2020

The Honorable William C. Smith, Jr.  
Chairman, Judicial Proceedings Committee  
Miller Senate Office Building, 2E  
11 Bladen Street  
Annapolis, MD 21401

**RE: Opposition of Senate Bill 543 (Real Property - Homeowners Associations - Number of Declarant Votes)**

Dear Chairman Smith:

The Maryland Building Industry Association (MBIA), representing 100,000 employees of the building industry across the State of Maryland, strongly opposes Senate Bill 543 (Real Property - Homeowners Associations – Number of Declarant Votes).

This measure changes the number of votes a declarant has when discussing homeowners' association (HOA) issues, both before and after a lot in a development is subdivided and recorded. Under current law, a declarant has one vote per lot starting on the date on which *all* lots have been subdivided and recorded. Before that happens – before all lots have been subdivided, while the neighborhood is still under development – a declarant has the number of votes that are set forth in the governing documents of the HOA.

This measure would change that to allow a declarant one vote per lot once *any* lot has been subdivided and recorded; as soon as a single lot is subdivided, a declarant has one vote per lot, regardless of how large the development or how long completion will take. Furthermore, under this measure, the declarant would have the number of votes that are set forth in the governing documents of the HOA before a single lot had been subdivided.

This is contrary to the best interest of both the community and the developer. Homeowners' association authority is balanced and reasonably limited by developer documents because a developer must maintain authority over the community while construction finishes and sales are underway. This enables predictability during completion and a clear line of liability if problems arise.

MBIA respectfully requests the Committee give this measure an unfavorable report. Thank you for your consideration.

For more information about this position, please contact Lori Graf at 410-800-7327 or [lgraf@marylandbuilders.org](mailto:lgraf@marylandbuilders.org).

cc: Senate Judicial Proceedings Committee Members