

January 19, 2021

The Honorable Kumar Barve  
Chairman, House Environment and Transportation Committee  
House Office Building, Room 251  
6 Bladen Street  
Annapolis, MD 21401

**RE: Support of House Bill 352 (Real Property - Condominiums and Homeowners Associations - Governing Bodies) with Amendment**

Dear Chairman Barve:

The Maryland Building Industry Association (MBIA), representing 100,000 employees of the building industry across the State of Maryland, support House Bill 352 (Real Property - Condominiums and Homeowners Associations - Governing Bodies) with Amendments.

In concept, we do not disagree with much of the content of this bill. However, there needs to be some clarifying language specifically with regards to sections of the bill that calls for “25% of the currently subdivided units in the condominium”. Again, we do not have an issue with the concept that a homeowner should be appointed to the board upon the conveyance of 25% of the units to homeowners, but do think it needs to be drafted differently as it can be interpreted in different ways. In particular, it is unclear whether the 25% applies to the whole community and the number of units that may ultimately be annexed or whether it applies only after the entire community has been expanded to include all phases, in which case, transition of the board may have already occurred. In addition, the transition meeting for election of the board in a condominium is based upon 50% of the percentage interest and not the number of units. It may be appropriate to use the same method for both sections.

Additionally, we have significant concerns with the language regarding bonding (page 6, section IV). The Bonds that are posted are between the Developer and the Jurisdiction. The homeowners have no claim to the bonds, nor are bond generally posted by the Developer to cover the completion of common elements of the condominiums or community/association owned property. Therefore the terminology “The Name, Address, and Phone Number of the person through which a claim against the bond may be asserted” is confusing due to the fact that no one can make a claim against the bond but the Jurisdiction. We ask that this section be stricken from the bill. In addition, line 17 indicates that this language is to be applicable to any bond provided by a developer to a governmental unit “in connection with the development”. That is overly broad and is not sufficiently limited to property within the community. Given that there are no rights to claims against a bond posted with the jurisdiction, that provision should be stricken from the legislation.

For these reasons, MBIA looks forward to working with the sponsor of the bill to clarify the intent and support the bill.

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

cc: House Environment and Transportation Committee Members