

Busy 2009 Maryland Legislative Session Underway

By Thomas C. Schild, ESQ.

The 2009 legislative session of the Maryland General Assembly looks to be another busy one for condominium and homeowner association legislation. The General Assembly meets from mid-January to mid-April.

However, CAI's Maryland Legislative Action Committee (MD-LAC) worked right through the summer and fall this past year!

Third Party Assessment Lien

Although the "mortgage crisis" continues to be front-page news, the untold story is the impact that the economic recession and increase in foreclosures has on the ability of condominium and homeowner associations to collect assessments.

The new foreclosure law enacted in 2008 extends the time for a lender foreclosure. As a consequence, the time an owner is not paying assessments to the association is also likely to be longer than in the past. This makes the need for the Third Party Assessment Lien bill more pressing than ever to allow associations to recover at least a portion of the unpaid assessments.

Although there is significant legislative support for Third Party Assessment Lien legislation, the Maryland banking industry continues to oppose the bill. To convince legislators of the urgent need for the Third Party Assessment Lien bill, the MD-LAC will be asking Maryland associations to provide specific information and examples of the financial hardship which associations are experiencing due to unpaid assessments.

Condominium Casualty Insurance

Legislation regarding condominium casualty insurance coverage for individual condominium units will be introduced in 2009 in response to the recent Maryland Court of Appeals' decision regarding the casualty insurance provisions of the Maryland Condominium Act. The Court ruled that the Maryland Condominium Act does not require a condominium association to obtain casualty insurance for individual condominium dwelling units. Instead, insurance coverage for condominium dwelling units is to be determined based on each condominium association's declaration and bylaws.

The MD-LAC has been working with legislators and insurance industry representatives on legislation to amend the Condominium Act to require that individual condominium units be included in the master insurance policy and that individ-

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State Registration for Associations

A new initiative of the MD-LAC for 2009 is legislation to require each condominium, homeowner association, and housing cooperative to register with the Maryland Attorney General's Consumer Protection Division. This will facilitate better communication between government officials and Maryland associations regarding the rights and responsibilities of association boards of directors and homeowners.

Reserves, Fidelity Insurance, and Developer Transition

The MD-LAC is supportive of legislation regarding association reserves, association fidelity insurance, and developer to owner transition requirements. The MD-LAC has been working with legislators and the Office of the Maryland Attorney General regarding legislation on these subjects which were addressed by the 2006 Task Force on Common Ownership Communities.

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Therefore, the MD-LAC's top legislative issue for 2009 will again be Third Party Assessment Lien legislation similar to last year's House Bill 682 to require purchasers at a foreclosure sale (other than the lender) and purchasers from a lender following a foreclosure sale to pay up to six months of assessments due at the time of the foreclosure sale.

Other Bills Expected

Each year, the MD-LAC opposes many bills because the proposed changes in law are unnecessary or burdensome to associations. The MD-LAC reviews dozens of bills and decides whether to support the bill, offer amendments which improve the bill, or oppose the bill outright.

How to Get Involved

The MD-LAC consists of 14 volunteer CAI members, including attorneys, managers, and homeowners from CAI's Chesapeake Region and Washington Metropolitan Chapter. The members of the MD-LAC include: Thomas C. Schild, Esq., Chair; Julie Dymowski, Attorney at Law, Vice-Chair; Kathleen Elmore, Attorney at Law, Treasurer; Derek Thompson, Secretary; Bruce Campbell, PCAM; Jason E. Fisher, Esq.; Mel Herzberger; Steven G. Landsman, PCAM; Sharon Levine, CMCA, AMS; Buck Mann; Michael H. Mannes, Esq.; Phyllis A. Marsh; Susan Rapaport, Attorney at Law.; and Edithann Schaffer, AMS.

The MD-LAC is assisted by a professional lobbyist, Michael Gisriel, Esq., in representing CAI before the Maryland General Assembly.

To help the MD-LAC get "good" bills passed and "bad" bills defeated... each CAI member can help by contacting your legislators to support MD-LAC positions.


To help the MD-LAC get "good" bills passed and "bad" bills defeated, here is how each CAI member can help:


Contact your legislators to support MD-LAC positions. To find your legislator for your home and business districts, go to the Maryland General Assembly Web site (mlis.state.md.us).

Sign up for the MD-LAC Legislator Contact Network to receive Legislative Alerts letting you know whom to contact and when to take action. To sign up, contact the Chapter office at 703.750.3644 or email info@caidc.org.

Share your comments about proposed bills with the MD-LAC so it can give legislators specific examples how bills will impact associations.

Provide financial support to the MD-LAC. Although the MD-LAC receives financial support through the CAI National Office and the Chesapeake Region and Washington Metropolitan Chapter, additional funds are needed to allow MD-LAC to continue its activities in representing CAI before the Maryland General Assembly.

The members of the MD-LAC can be contacted directly or through the Chapter office. 



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