Read on our Website



November 2024



#### **November Fun Fact:**

Did you know the first college football game played on Thanksgiving was in 1876? The game was between Princeton and Yale.

## Monthly CCOC Commission Meeting Recap!

The Commission on Common Ownership Communities Monthly Meeting was held on Wednesday, November 6th at 7:00p.m.

The cases that were presented to the commission as follows:

- Case 2025-011, Longmead Crossing CSA v John Angela Dahl (Commission voted to Accept Jurisdiction)
- Case 2024-107, Martin Siegel v Heritage Green Condominium (Commission voted to Deny Jurisdiction)
- Case 2025-005, Pamela Cook v River Falls Homeowner Association, Inc. (Commission voted to Accept Jurisdiction)

The commission meets the first Wednesday of each month. Join us at the next Commission meeting which is scheduled for **Wednesday December 4th at 7pm**. All meetings are virtual via zoom and will require for you to register prior to the meeting. Register at <a href="https://us02web.zoom.us/webinar/register/WN\_leLSgIUFQyqmljlCnVJVLQ">https://us02web.zoom.us/webinar/register/WN\_leLSgIUFQyqmljlCnVJVLQ</a>

Please note that the agenda and minutes of every CCOC meeting is posted on our website and can be found at <a href="https://montgomerycountymd.gov/DHCA/housing/commonownership/minutes.html">https://montgomerycountymd.gov/DHCA/housing/commonownership/minutes.html</a>

# The Effects of Apathy On A Common Ownership Community Without A Board!



"A growing number of homes in Maryland are located in common ownership communities ("COCs") – that is, condominiums, cooperatives and homeowners associations. COCs are designed to give homeowners control over services and amenities that might otherwise be provided (if at all) by local governments. However, these communities present unique problems and difficulties." Final Report – Task Force on Common Ownership Communities, December 31, 2006. But what becomes of a COC with no board of directors (board) to oversee the operations and governance of the community? A COC without board members is like a ship without a rudder. Usually, when apathy takes root within a COC, destroying morale and participation, a previously vibrant and active board of directors may fade into thin air. Apathy is a concern in many COCs today as many people become disinterested and disengaged from the daily operations and governance of their communities. Apathy amongst homeowners soon transforms into either tyranny of the board (which can occur when there is little to no oversight from the homeowners) or apathy of the board members (who tire of trying to make decisions for homeowners who lack interest or enthusiasm about the community). After all, board members are also homeowners.

Before there is a scarcity of board members, the board should ensure it becomes thoroughly acquainted with the governing documents. Should vacancies occur in the middle of a board member's term, most by-laws allow the board to fill open seats by appointment. Therefore, the board should make necessary appointments to guard against the complete

depletion of board members. Moreover, the board should take measures to generate interest amongst the owners or residents and stave off apathy by encouraging owners to participate on committees, prompt dissemination of meeting minutes, and community socials, to name a few.

However, if, despite the board's and owner's best efforts, board members relocate from the community or resign, and there are no board members to take on the mantle, then the community may need to consider receivership. A receiver is a neutral third-party appointed by a judge, whose job would be to protect the association's assets. Under Maryland law[1] "if a homeowners association fails to fill vacancies on the governing body sufficient to constitute a quorum in accordance with the bylaws, three or more owners or lots may petition the circuit court for the county where the [condominium or homeowners association] is located to appoint a receiver to manage the affairs of the...association." However, receivership is no panacea to the leadership vacuum. The receiver's compensation and other court costs will be expenses imposed on all the owners. This means that the owners will pay more to the receiver than they otherwise would have to the board of directors, the volunteers who contribute their time and skills to the association. In addition, unlike the owners/residents, the receiver does not have a personal or financial stake in the community. Furthermore, receivership mars the COC's reputation, making the community less desirable to prospective buyers and damaging property values.

The bottom line is that the management and governance of the association are not the exclusive domain of an interested few, namely the board. All owners should attend as many meetings as possible, review all meeting minutes, be knowledgeable about the governing documents, and participate in discussions and elections. It is important to remember that homeowners play a crucial role in the governance of their community. Engagement is vital between a thriving community and a floundering or dysfunctional one. Resist apathy at all costs.

[1] Maryland Code, Real Property Article, §11-109.3 and §11B-111.5.

### A Brief Conversation regarding Parking!

By: Billy Buttrey, CCOC Staff Investigator



Do you know what the rights are of your Common Ownership Community (Association) as it relates to parking and where to find that information?

The first place you want to review is your specific Association's governing documents, as they provide the definition of common areas, parking rights, and whether the Association has the authority to establish rules and regulations for parking. There are some associations that have both private and public streets within its community. Your governing documents should include maps, plats, and surveys indicating what streets are privately owned by the Association. The Association can only enforce parking rules on its privately owned streets, as they do not own the public streets.

So, when you have questions regarding your parking rules, do not ask your neighbor or your significant other, but go directly to the source – the Association's governing documents.

I understand that reading the governing documents may seem like an overwhelming task (to most), but do not let that deter you. Remember, you do not have to read all of it right away, but you may want to locate and focus on the sections pertaining to parking and the common areas.

### So, who in the association can make the decisions regarding parking?

Most Association's governing documents allow for the Board of Directors (the Board) to make educated and common-sense decisions concerning

parking. Most Boards will yield that right and adopt a policy for Parking Rules and Regulations. If or when the Board wishes to create or revise its Parking Rules and Regulations, it must follow the procedures outlined within its governing documents (creating/amending, meeting to discuss, providing notices, and voting requirements, etc.). Most parking rules often include restricted vehicle definitions, parking assignments, parking durations, parking locations, parking permits, reserved parking spots, and enforcement procedures.

The Office on Common Ownership Communities highly recommends that the Board engages with its legal counsel to ensure compliance with all federal, state, and local laws, including its own governing documents.

Now that you have reviewed the Association's governing documents and know where to find most of the pertinent parking information, what happens if there is an issue with the Board regarding alleged parking violations and its enforcement?

It is the Board's responsibility to enforce the Association's governing documents, including the parking rules. If you believe your Association is improperly enforcing its parking rules or have received an alleged violation notice in error, then you should notify the Board accordingly. As with any alleged violation of the Association's governing documents, you must follow your Association's dispute resolution process. If your association does not have a dispute resolution process, the CCOC recommends that you make your Association aware of the issue/complaint in writing and request a hearing with the Board to discuss and rectify the situation.

An Association must not violate its own rules as it relates to towing enforcement. The Board must also comply with Maryland towing laws (Section 21), COMCOR 30C.00.01, and Chapter 30C of the Montgomery County Code to remove a vehicle from its common areas. These laws include, but are not limited to, towing signage (information, placement, size), authorization (agent of the association), notices, procedures, rates, and redemption and storage requirements. These laws also apply to towing companies who must register with The Office of Consumer Protection (OCP) as outlined in Chapter 31A of the County Code (also see OCP: Motor Vehicle Repair, Maintenance & Towing).

What if your vehicle was towed? What can you do if you believe there was a violation of the governing documents and/or Chapter 30C?

1. Again, all parking enforcement rules must be followed if the Association has the authority to initiate any tow conducted in accordance with the County Code. If the association did not follow its own rules and regulations regarding its towing enforcement policy before it towed your vehicle, you may be able to file a complaint with the Commission on Common Ownership Communities.

As with all complaints filed with the CCOC, you must first seek to exhaust all remedies with the association by following its dispute resolution process or requesting a hearing to discuss the matter with the Board. Be sure that you can reference and address the specific violation of the Parking Rules and Regulations that the Board may have violated, and not just share your frustration that your vehicle was towed. Remember, the Board has the right to enforce the rules of the Association, and you should be able to provide evidence if you feel that their decision was in error. If the evidence proves that the board acted in error, then they should correct and cure its alleged violation.

(See <u>Before You File A Complaint</u> and Read the <u>Common Ownership</u> <u>Community Manual & Resource Guide</u> chapter: "How to Complain Effectively" if you believe you are ready to file a complaint with the CCOC.)

2. The OCP is the administrative authority and has enforcement responsibility of COMCOR 30C.00.01 or Chapter 30C. So, if your vehicle was towed and you believe the tow company violated the code (ex., no association authorization, proper notice, no photographic evidence) or how the tow was conducted (for example, incomplete tows), then you may initiate and file a complaint with OCP. For any additional questions regarding the OCP and its complaint process, you may contact Montgomery County MC311 by phone at 311 or 240.777.0311 (outside of Montgomery County) or submit a ticket to MC311.

Potentially, you may have to file two separate complaints, one with the CCOC and the other with OCP if you believe your vehicle was towed and in violation of its governing documents or Chapter 30C of the County Code. To reiterate, <u>you must</u> familiarize yourself with the parking requirements and restrictions of your Association to understand your parking rights and the Association's legal authority.

I hope this article helps you to understand the parking rights within your community. No two Association documents are the same, which is why it is important for you to review and understand them first If your current rules are too restrictive or too loose, you should raise this matter of concern with your elected Board of Directors. In addition, be prepared to introduce and suggest creative ideas for further Board review, discussion and possible consideration. The more you and the other members know about your community, the better place it will be to live.

## Corporate Transparency Act Reporting Requirements!

Any COC formed before January 1, 2024, has until January 1, 2025, to file their initial report with FinCEN. For COC's formed on or after January 1, 2024, and before January 1, 2025, must file their initial report within 90 days of formation. It's important to note that any willful failure to comply with the CTA may result in civil penalties of up to \$500 for each day of continued violation or criminal penalties including imprisonment of up to two years and/or a fine of up to \$10,000. This underlines the seriousness of non-compliance and the need for strict adherence to the reporting requirements.

All beneficial owners of your COC must file their Beneficial Ownership Information Report (BOIR) on the BOI E-Filing website at (<a href="https://boiefiling.fincen.gov">https://boiefiling.fincen.gov</a>). Filings may be completed online, using a FinCEN prepared fillable PDF, or by utilizing a service provider in a system-to-system Application Programming Interface (API). For more information, please visit FinCEN's website at <a href="mailto:Beneficial">Beneficial</a> Ownership Information Reporting | FinCEN.gov.

## COC Common Area Assistance Loan Fund!



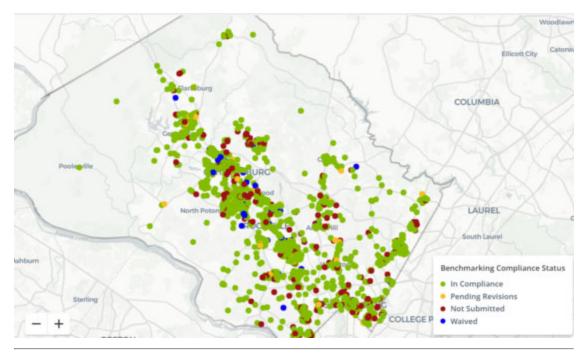
Did you miss the Common Area Assistance Loan Fund live webinar? Here is the copy of the <u>slide deck presentation</u>.

DHCA is pleased to announce the launch of a new COC Common Area Assistance Loan Fund for homeowner and condominium associations experiencing financial hardship in their efforts to address immediate health or safety repairs, as documented by professional assessments or government citations. Some examples of eligible common area rehabilitation projects may include failing water supply lines, elevators, fire suppression systems, underground and surface stormwater drainage, facades, balconies, sidewalks, pathways, and parking lots. Visit our website at <a href="common-area-assistance-loan">common-area-assistance-loan</a> to learn more about the program.

Applications are now being accepted. If you have questions, please call the Montgomery County customer service center at 240-777-0311.

### Department of Environmental Protection!

By: Sheena Oliver



DEP has also released two brand-new data tools to help building owners and the public access and understand energy benchmarking data:

The <u>Montgomery County Building Energy Performance Map</u> provides an interactive and user-friendly tool to investigate compliance status and energy performance data for each covered building's current and historical benchmarking data. It also provides comparisons of each building's latest energy performance to proposed building energy performance standards.

Use the filters on the left to drill down by reporting year, benchmarking group, property type, or switch the map legend.

Click on any building to view building details, current energy performance, and a comparison of normalized net site EUI (weather normalized site energy use intensity less any onsite renewable energy) versus the proposed building energy performance standard for that building.

The <u>Performance Requirement Look-Up Tool</u> provides a more in-depth view into historically reported benchmarking for each building, provides each building's BEPS baseline (or projected baseline if only partway through the baseline period), and projects interim and final BEPS standards for each building based on proposed regulation. This tool can also be accessed by clicking "View Performance Requirements" from any building on the energy performance map.

If you have questions or feedback about these new tools, please contact Energy@MontgomeryCountyMD.gov.

### **Annual Registration Information**

The Licensing & Registration Unit requires completion of the following:

- The completion of the <u>CCOC Registration Form</u>.
- The completion and current copy of the governing documents.
- A list of the rental units in the community.
- A payment of the annual registration fee which is calculated based upon the number of units in the common ownership community.

It is the responsibility of each common ownership community to ensure compliance with this requirement.

Please feel free to contact the Licensing & Registration Department at <a href="mailto:cocregistration@montgomerycountymd.gov">cocregistration@montgomerycountymd.gov</a> with questions and/or concerns you may have.

#### **UPCOMING BOARD TRAINING DATES!**

Sunday November 24th, 2024



Saturday December 14th, 2024

\*\*Class must have a minimum of six registrants to move forward. We will notify all registrants if the class is canceled. \*\*



The leadership of each common ownership community must register annually as a requirement as stated in Chapter 10B of the Montgomery County Code.

#### **Mandatory Board Training**



In July 2023, amendments to the county code continue to require all Board of Directors for common ownership communities to successfully complete the Commission's Board Training program, also known as Community Governance Fundamentals. The new provision requires Board

members to recertify every *three (3) years*. Therefore, if you have not completed the training after July 3, 2020, you are required to fulfill this requirement. Information on the free training program and <u>schedule</u> may be found on the website or click here.

#### **COC Links and Shortcuts**

Office of Common Ownership Communities | DHCA (montgomerycountymd.gov)- General information and resources for common ownership communities and homeowners.

<u>Common > "Community Governance Fundamentals" Training Program | DHCA (montgomerycountymd.gov)</u>- Mandatory training on Community Governance Fundamentals.

<u>Common > Registration of Common Ownership Communities | DHCA</u> <u>(montgomerycountymd.gov)</u> – Mandatory annual registration of common ownership communities.

<u>Calendar | DHCA (montgomerycountymd.gov)</u> – Calendar of Events.

<u>Common > Community Information | DHCA (montgomerycountymd.gov)</u> – FAQ's

Office of Common Ownership Communities

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