

## Montgomery County Commission on Common Ownership Communities Department of Housing & Consumer Affairs 1401 Rockville Pike, 4<sup>th</sup> Floor Rockville, Maryland 20852

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# Get the Facts About Montgomery County's Common Ownership Community Law!

### Why?

In late 1987, the Montgomery County Council appointed a task force to study and make recommendations regarding homeowner associations, condominiums, and cooperatives. The task force identified a number of major concerns and issues, and in a September 1989 report offered several recommendations to the County Council. Legislation that created the Commission and Office took effect January 1, 1991.

#### What?

The law created a Commission on Common Ownership Communities and an Office of Common Ownership Communities. The Commission and Office

- register all common ownership communities;
- offer a program to resolve disputes with adequate due process protections;
- regulate elections, budget adoptions, and enforcement procedures; and
- provide educational programs and technical assistance to unit owners and board members.

#### Who?

Montgomery County's Common Ownership Community legislation applies to condominiums, cooperatives, and homeowner associations throughout the County (except within the city limits of incorporated municipalities). Fifteen commissioners, eight unit owners and seven professionals (lawyers, property managers, or real estate agents), are appointed for three-year terms by the County Executive and confirmed by the County Council.

#### Where?

The Commission on Common Ownership Communities is part of Montgomery County's Department of Housing & Consumer Affairs, located in Rockville, Maryland.

#### **General Information**

The Commission on Common Ownership Communities is responsible to act as an advisor to the County Council, the County Executive, and offices of County government on matters including:

- Offering education, public awareness, and association membership understanding of the rights and obligations of living in a common ownership community;
- Ensuring proper establishment and operation of homeowners' associations, condominium associations, and cooperative housing corporations;
- Through a mandatory registration process, maintaining a roster of common ownership communities, including their leadership and professional management companies, if applicable;
- Reducing the number and divisiveness of disputes and provide and encourage informal resolution of disputes or if necessary conduct formal hearings;
- Maintaining property values and quality of life in these communities;
- Assisting and overseeing, through public hearings or other forums including legislative recommendations, in the development of coordinated community government policies, programs, and services which support these communities;
- Preventing potential public financial liability for repair or replacement of common ownership community facilities.

Disputes may not be filed with the Commission until the parties have made a good faith attempt to exhaust all procedures as provided in the community documents.

The Office and Commission have jurisdiction to handle disputes between two or more parties involving the authority of a governing body, under any law or association document, to:

- require any person to take any action, or not to take any action, involving a unit;
- require any person to pay a fee, fine or assessment;
- spend association funds; or
- alter or add to a common area or element; or
- the failure of a governing body, when required by law or an association document, to:
  - o properly conduct an election;
  - o give adequate notice of a meeting or other action;
  - o properly conduct a meeting;
  - o properly adopt a budget or rule;
  - o maintain or audit books and records;
  - o allow inspection of books and records; or
  - exercise its judgment in good faith concerning the enforcement of the association documents against any person that is subject to those documents.

A dispute does not include a disagreement that involves:

- title to any unit or any common area or element;
- the percentage interest or vote allocable to a unit;
- the interpretation or enforcement of any warranty;
- the collection of an assessment validly levied against a party; or
- the judgment or discretion of a governing body in taking or deciding not to take any legally authorized action.

For more information on the Commission and its services, or to contact staff: www.montgomerycountymd.gov or ccoc@montgomerycountymd.gov