COUNTY COUNCIL OF PRINCE GEORGE'S COUNTY, MARYLAND 2024 Legislative Session

Bill No.	CB-031-2024				
	40				
Proposed and Proposed	resented by Council Member Blegay				
Introduced by	by Council Members Blegay, Dernoga, Watson, Olson, Ivey,				
	Oriadha and Fisher				
Co-Sponsors	Co-Sponsors Council Members Hawkins and Burroughs				
Date of Introduc	July 16, 2024				
BILL					
AN ACT concerning					
Common Ownership Communities - Alternative Dispute Resolution					
For the purpose of <u>adding Commissioners to Commission on Common Ownership Communities</u> ;					
providing for the terms and geographical requirements of Commission members; providing for					
certain powers; providing for certain definitions; providing for alternative dispute resolution and					
the exhaustion of administrative remedies; providing for a request for relief from a stay; providing					
for acceptance of jurisdiction of complaints; providing for the production of evidence; providing					
for mediation and dismissal before a hearing; providing for a hearing panel; providing for an					
administrative hea	aring; providing for the settlement of disputes and assistance to parties; and				
generally relating	to alternative dispute resolution in common ownership communities.				
BY repealing and reenacting with amendments:					
	SUBTITLE 13. HOUSING AND PROPERTY				
	STANDARDS.				
	Sections <u>13-314.04</u> , 13-314.07, 13-316 and 13-319,				
	The Prince George's County Code				
	(2023 Edition).				
BY adding:					
	SUBTITLE 13. HOUSING AND PROPERTY				
	STANDARDS.				

1 Sections 13-320, 13-321, 13-322, 13-323, 13-324, 2 13-325 and 13-326, 3 The Prince George's County Code 4 (2023 Edition). 5 SECTION 1. BE IT ENACTED by the County Council of Prince George's County, Maryland, that Sections 13-314.04, 13-314.07, 13-316 and 13-319 of the Prince George's County 6 7 Code be and the same are hereby repealed and reenacted with the following amendments: 8 SUBTITLE 13. HOUSING AND PROPERTY STANDARDS. 9 DIVISION 11. COMMON OWNERSHIP COMMUNITIES PROGRAM. 10 Sec. 13-314.04. - Commissioners; Term; Qualifications; Appointment and Removal. 11 The Commissioners shall be appointed by the County Executive and confirmed by the County 12 Council in accordance with the provisions of Sections 322 and 402 of the Charter for Prince 13 George's County, Maryland. 14 (b) The Commission shall consist of [nine] fifteen voting members: 15 (1) [Five] Eight members shall be selected from unit or lot owners or residents of self-16 managed and professionally managed condominiums, self-managed and professionally managed 17 cooperative housing corporations, and self-managed and professionally managed homeowner 18 associations, and may include members or former members of governing boards; and 19 (2) [Four] <u>Seven</u> members should be selected from persons who are members of professions 20 associated with common ownership communities (such as a person involved in housing 21 development and real estate sales and attorneys who represent community associations, 22 developers, housing management or tenants), including at least one person who is a professional 23 community association manager. 24 (c) One designee of each of the following entities are ex-officio nonvoting members of the 25 Commission: County Council (if the Council selects a designee); Planning Board, Department of 26 Permitting, Inspections and Enforcement, Inspection and Enforcement; Department of 27 Transportation; Department of Housing and Community Development; Office of the Attorney 28 General; and the Office of the County Attorney. 29 (d) Each voting member serves a three (3) year term. Of the members first appointed, one-third 30 must be appointed for one (1) year terms, one-third must be appointed for two (2) year terms, and 31 one-third must be appointed for three (3) year terms. Upon expansion of the Commission, the

appointments shall be staggered so that one-third must be appointed for one (1) year terms, one-
third must be appointed for two (2) year terms, and one-third must be appointed for three (3) year
terms. The appointment of voting members shall be such as to obtain a geographical distribution
of voting members throughout the County in so far as practicable and consistent with the purpose
of the Commission on Common Ownership Communities. A member shall not serve more than
two consecutive full terms. A member appointed to fill a vacancy serves the rest of the unexpired
term. Members continue in office until their successors are appointed and qualified.
(e) The County Executive may remove a voting member of the Commission for neglect of or
inability to perform the duties of the office, misconduct in office, or serious violation of law.
Refore the County Evecutive removes a member, the County Evecutive must give the member

- Before the County Executive removes a member, the County Executive must give the member notice of the reason for removal and a fair opportunity to reply.
- Section 13-314.04(d) applies only to voting members of the Commission.
- (g) A majority of the voting members of the Commission shall elect one voting member as Chair and another as Vice Chair, to serve at the pleasure of the Commission, and may select other officers as it determines.
- (h) Voting members of the Commission receive no compensation for their services.
- The Commission meets at the call of the Chair as often as required to perform its duties, but at least once each month. A majority of the voting members shall constitute a quorum for the transaction of business, and a majority of the voting members present at any meeting may take any official action.

*

Sec. 13-314.07. - Powers.

1

2

3

4

5

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

29

30

31

- (a) The Commission for Common Ownership Communities is provided the following additional powers to accomplish the intent of this Division:
- (1) The Commission shall review and evaluate the alternative dispute resolution process, pursuant to its authority set forth in Sections 13-319 through 13-326 of this Division.

* *

Sec. 13-316. Definitions.

- As used in this Division:
- [(a) Alternative Dispute Resolution means a process for people in conflict, which includes two or more participants, and one or two trained alternative dispute resolution specialists.]

1	[(b) Alternative Dispute Resolution Specialist(s) are trained, impartial people who help people in
2	conflict to communicate with one another, understand each other, explore options for mutual gain,
3	and if possible, reach agreements that satisfy the participants' needs. An alternative dispute
4	resolution specialist(s) does not provide legal advice.]
5	[(c)] (a) Association Document means:
6	(1) The master deeds, declaration, incorporation documents, bylaws, and rules of any
7	common ownership community;
8	(2) Any written private agreement between any parties concerning the operation of the
9	community or maintenance or control of common or limited common property; and
10	(3) Any similar document concerning the operation or governance of a common ownership
11	community.
12	[(d)] (b) Common [element] area includes:
13	(1) in a homeowners association, any [property] real estate which is owned or leased by a
14	homeowners association[; and].
15	[(2) in a condominium [or cooperative,] all portions of the condominium except the units;
16	and]
17	[(2) (3) in all common ownership communities, any other interest in real estate for the benefit of
18	owners that is subject to the declaration.]
19	(c) Common element includes:
20	(1) in a condominium, all portions of the condominium except the units.
21	(d) Cooperative project includes:
22	(1) in a cooperative all the real and personal property in the State of Maryland owned or
23	leased by the cooperative housing corporation for the primary purpose of residential use.
24	(e) Common Ownership Community means:
25	(1) A condominium, as defined pursuant to state law;
26	(2) A cooperative housing corporation, as defined pursuant to state law; or
27	(3) A homeowners association, as defined pursuant to state law.
28	(f) Community Association means the legal entity, incorporated or unincorporated, that is
29	responsible for the governance or common property of a common ownership community.
30	(g) Director means the Director of the [2q] <u>Office</u> of Community Relations.
31	(h) Dispute means any disagreement between two (2) or more parties that involves:

1	(1) The authority of a governing body, under any law or association document, to:	
2	(A) Require any person to take any action, or not to take any action, involving a unit or	
3	common element;	
4	(B) Require any person to pay a [fee,] fine [, or assessment] related to a violation of the	
5	governing documents;	
6	(C) Spend association funds; or	
7	(D) Alter or add to a common element; or	
8	(2) The failure of a governing body, when required by law or an association document, to:	
9	(A) Properly conduct an election;	
10	(B) Give adequate notice of a meeting or other action;(C)Properly conduct a meeting;	
11	(D) Properly adopt a budget or rules;	
12	(E) Maintain or audit books and records;	
13	(F) Allow inspection of books and records;	
14	(G) Maintain or repair a common element if the failure results in significant personal	
15	injury or property damage; or	
16	(H) Exercise its judgment in good faith concerning the enforcement of the association	
17	documents against any person that is subject to those documents.	
18	(i) Dispute does not include any disagreement that only involves:	
19	(1) Title to any unit or any common areas and/or common element;	
20	(2) The percentage interest or vote allocable to a unit;	
21	(3) The interpretation or enforcement of any warranty;	
22	(4) The collection of an assessment validly levied against a party; or	
23	(5) The exercise of a governing body's judgment or discretion in taking or deciding	
24	not to take any legally authorized action.	
25	(j) Governing body of a community association means the council of unit owners, board of	
26	directors, or any other body authorized by an association document to adopt binding rules or	
27	regulations.	
28	(k) Notice means a hearing examiner or the Director has provided the parties with the date, place	
29	and nature of the hearing; the right of a party to be represented, at the party's own expense, by an	
30	attorney or, if permitted by law, another representative; the right of a party to seek discovery; the	
31	right of a party to call witnesses and submit documents or other evidence; and, that failure to appear	

 [(k)] (1) Office means the Office of Community Relations. [(l)] (m) Owner includes: (1) A unit owner in a condominium; 	
(1) A unit owner in a condominium;	
(2) A lot owner in a homeowners association; and	
(3) A member of a cooperative housing corporation.	
[(m)] (n) Party includes:	
(1) An Owner;	
(2) A Governing body; and	
(3) An occupant of a dwelling unit in a common ownership community.	
[(n)] (o) Unit or Lot includes:	
(1) Any physical portion of a common ownership community with distinct property	
boundaries that:	
(A) Provides complete, independent living facilities for one or more individuals;	
(B) Contains permanent provisions for living, sleeping, eating, cooking, and	
sanitation; and	
(C) Is designated for exclusive ownership, control, or occupancy by those	
individuals; and	
(2) All legally enforceable rights and interests incidental to individual ownership of	
real property in a common ownership community.	
* * * * * * * * *	
[Sec. 13-319 Mandatory Alternative Dispute Resolution; filing disputes].	
[(a) Any registered community association and/or an owner may request alternative dispute	
resolution subject to the following:	
(1) A party may not file an alternative dispute resolution request with the Office until	
the party makes a good faith attempt to exhaust all procedures or remedies provided in the	
association documents.]	
[(2) If a party requests the alternative dispute resolution procedure, the Office shall	
notify all parties of the filing and of the alternative dispute resolution session.]	
[(3) The Office shall provide a qualified alternative dispute resolution specialist to meet	
with the parties within thirty (30) days after a party requests the alternative dispute resolution	

procedure to attempt to settle the dispute and render a written decision within 60 days.]

- [(4) A party may file a dispute with the Office thirty (30) days after any procedure or remedy provided in the association documents has been initiated before the association.]
- [(5) The community association may not take any action to enforce or implement its decision until the time to file a request for alternative dispute resolution process has been exhausted and the opposing party has not requested alternative resolution process.]
- [(6) When a dispute is filed with the Office, a community association may not take any action to enforce or implement the association's decision until the process under this Section is completed.]
- [(7) A community association member may not file an action in any Prince George's County Court until he/she has first attempted conflict resolution as outlined in this Section.]
- [(8) The Office may investigate facts and assemble documents relevant to a party if, in its opinion, a dispute was not properly filed with the Office. The Office may dismiss a dispute if it finds that there are no reasonable grounds to conclude that a violation of applicable law or a violation of any association document has occurred, or it may investigate further.]
- [(9) No association member or its representatives will be allowed to petition the courts for resolution to a matter until all options in this Section/Subsection have been exhausted.]
- [(10)The Office may reconsider the dismissal of a dispute under this Subsection if any party, within thirty (30) days after the dispute is dismissed shows that:
- (A) The Office erroneously interpreted or applied applicable law or an association document; or
- (B) Material issues of fact that are necessary to a fair resolution of the dispute remain unresolved.]
- [(11)Dismissal of a dispute shall not prevent a parties' rights to file a claim in the appropriate court.]
- [(b) The parties to an alternative dispute resolution session may not use any statement or information from an alternative dispute resolution session in any later court proceedings and alternative dispute resolution specialists and intake staff in the Office may not be compelled to testify in a court proceeding related to an alternative dispute resolution session.]
- Sec. 13-319. Alternative Dispute Resolution; filing disputes; exhaustion of association remedies.

1	(a) The Commission may hear any dispute between or among parties.	
2	(b) A party must not file a dispute with the Commission until the party makes a good faith	
3	attempt to exhaust all procedures or remedies provided in the association documents.	
4	[(c) However, a party may file a dispute with the Commission 60 days after any procedure or	
5	remedy provided in the association documents has been initiated before the association.]	
6	[(d)] (c) After a community association finds that a dispute exists, the association must notify	
7	the other parties of their rights to file the dispute with the Commission. The association must not	
8	take any action to enforce or implement its decision for 14 days after it notifies the other parties	
9	of their rights.	
10	[(e)] (d) Except as provided in Section 13-320, when a dispute is filed with the Commission, a	
11	community association must not take any action to enforce or implement the association's decision,	
12	other than filing a civil action under subsection (f), until the process under this Division is	
13	completed.	
14	[(f)] (e) Any party may file a civil action arising out of an association document or a law	
15	regulating the association's powers and procedures at any time. The court may stay all proceedings	
16	for at least 90 days after the court is notified that a dispute has been properly filed under this	
17	Division so that a hearing under Section 13-325 may be completed. Whether or not a stay is issued,	
18	the court may hear the action de novo only if a hearing panel assigned to the dispute has not issued	
19	a decision under Section 13-325.	
20	SECTION 2. BE IT ENACTED by the County Council of Prince George's County,	
21	Maryland, that Sections 13-320, 13-321, 13-322, 13-323, 13-324, 13-325, and 13-326 of the Prince	
22	George's County Code be and the same are hereby added:	
23	SUBTITLE 13. HOUSING AND PROPERTY STANDARDS.	
24	DIVISION 11. COMMON OWNERSHIP COMMUNITIES PROGRAM.	
25	Sec. 13-320. Request for relief from stay.	
26	(a) At any time after a dispute is filed under Section 13-319, a party to the dispute may submit	
27	a request to lift the automatic stay required under Section 13-319(e) to a hearing panel appointed	
28	under Section 13-324, or if no hearing panel has been appointed, a special standing panel	
29	authorized to consider requests for relief from stays.	
30	(b) The special panel must consist of three voting members of the Commission designated by	
31	the chair and must include at least one representative of each membership category.	

- (c) A party that requests relief from a stay must serve a copy of its request on any other party named in the dispute by certified mail or personal service. A certificate of service must accompany any request submitted under this Section. A party served with a copy of the request must file its opposition, if any, within [10] 14 days after receiving service.
- (d) If a request for relief from a stay which states facts sufficient to show a need for immediate action is not granted or denied within [20] 21 days after the request was filed, the request must be treated as granted.
- (e) Except as provided in subsection (d), a request for relief from stay may only be granted if the assigned panel finds that:
 - (1) enforcing the stay would result in undue harm to a party; and
- (2) <u>lifting the stay would not result in undue harm to the rights or interests of any opposing</u> party.

Sec. 13-321. Acceptance of jurisdiction of complaints.

- (a) If the Commission does not accept jurisdiction of a complaint, the Director must notify the parties in writing of the decision and the reason for the Commission's denial of jurisdiction within [10 business] 14 days after the decision.
- (b) The Commission's decision not to accept jurisdiction of a complaint is not subject to judicial review.

Sec. 13-322. Production of evidence.

- (a) The Commission may:
- (1) compel the attendance at a hearing of witnesses and parties, administer oaths, take the testimony of any person under oath and, in connection with any dispute, require the production of any relevant evidence; and
- (2) issue summonses to compel the attendance of witnesses and parties and the production of documents, records, and other evidence in any matter to which this Division applies.
- (b) If any person does not comply with any summons issued under this Division to compel the attendance of persons or the production of documents, records, or other evidence in any matter to which this Division applies, the County Attorney, on behalf of the Commission, may enforce the summons in a court with jurisdiction.
- (c) Any court with jurisdiction may, on request of the Commission, in accordance with state law and the Maryland Rules of Procedure:

- (1) require compliance with a summons;
- (2) require the attendance of a named person before the Commission at a specified time and place;
 - (3) require the production of records, documents, or other evidence;
 - (4) require the transfer of custody of records, documents, or other evidence to the court; or
- (5) prohibit the destruction of any records, documents, or other evidence until a lawful investigation by the Commission is ended.
- (d) A court may punish any disobedience of any order entered under this Section as a contempt of court.

Sec. 13-323. Mediation; dismissal before hearing.

- (a) The Director may investigate facts and assemble documents relevant to a dispute filed with the Commission and may summarize the issues in the dispute. The Director may notify a party if, in the Director's opinion, a dispute was not properly filed with the Commission, and may inform each party of the possible sanctions under Section 13-325(d).
- (b) If the Director, after reviewing a dispute, finds that, assuming all facts alleged by the party that filed the dispute are true, there are no reasonable grounds to conclude that a violation of applicable law or any association document has occurred, the Director must so inform the Commission. The Commission must dismiss a dispute if it finds that there are no reasonable grounds to conclude that a violation of applicable law or any association document has occurred, or it may order the Director to investigate further. The Commission may reconsider the dismissal of a dispute under this subsection if any party, in a motion to reconsider filed within [30] 60 days after the dispute is dismissed, shows that:
- (1) the Commission erroneously interpreted or applied applicable law or an association document; or
- (2) material issues of fact that are necessary to a fair resolution of the dispute remain unresolved.
- (c) If the Director, after reviewing a dispute and any investigation, finds reasonable grounds to conclude that a violation of applicable law or an association document has occurred, the Director must attempt to resolve the matter through informal negotiation including, in the Director's discretion, mediation. Each party named in the dispute or its representative must attend any mediation conference scheduled by the Director under this Section unless excused by the Director.

- If the party that files the dispute refuses or fails to participate in the mediation, the Director must dismiss the dispute. If the party that is the subject of the dispute refuses or fails to participate in the mediation, the Director must refer the dispute to the Commission for [resolution] dismissal.

 The party that is the subject of the dispute [may not] is not required to appear at the hearing, and the hearing panel may award relief to any party that the facts on the record warrant.
 - (d) Unless otherwise agreed to by the parties in writing, a mediation conference is informal and nothing said or done during a mediation conference is admissible in any subsequent hearing under this Division.
 - (e) The Commission must promptly schedule a hearing under Section 13-325 if either:
 - (1) mediation has not occurred within 90 days after the Director found reasonable grounds to believe a violation occurred; or
 - (2) the Director decides at any time that mediation would be fruitless. The Director may extend the mediation deadline by mutual consent of the parties.
 - (f) If a dispute is resolved by mediation, the terms of mediation agreed to by the parties must be reduced to writing and incorporated into a consent agreement to be signed by the parties. The agreement must be for mediation purposes only and is not an admission by any party that a violation of applicable law or an association document has occurred.
 - (g) In addition to any other penalty allowed by law, failure by a party to adhere to any provision of a consent agreement has committed a civil penalty with a maximum of \$500 for an initial offense and [\$750] \$1,000 for each repeat offense. Each day that a person does not comply with a Commission order is a separate offense. Any failure by the Director to enforce any provision of a consent agreement does not waive any private right of action against the violating party.

Sec. 13-324. Hearing Panel.

- (a) If a hearing is scheduled, the Chair of the Commission must convene a 3-member panel to hear the dispute.
- (b) The Chair must choose two members of the panel from the voting members of the Commission. The persons selected must represent the two different membership groups of the Commission. The Chair of the Commission must designate the third member from a list of volunteer arbitrators trained or experienced in common ownership community issues maintained by the Commission. The third member must Chair the panel. If a suitable arbitrator is not available, the Chair of the Commission must designate the third panelist from among the voting members of

the Commission and must designate the Chair of the panel. 1 2 (c) Each panelist must not have any interest in the dispute to be heard. 3 (d) Each volunteer arbitrator must not represent any parties in disputes before other hearing 4 panels convened under this Division. 5 (e) If the Commission Chair decides that a hearing should be held by a hearing examiner instead 6 of a hearing panel, the Chair, with the approval of the Commission, may designate a hearing 7 examiner to conduct the hearing. 8 Sec. 13-325. Administrative hearing. 9 (a) A hearing panel appointed under Section 13-324 must hold a hearing on each dispute that 10 is not resolved by mediation under Section 13-323 unless the Commission finds that: 11 (1) the dispute is essentially identical to another dispute between the same parties on which a 12 hearing has already been held under this Section; or 13 (2) the dispute is clearly not within the jurisdiction of the Commission. 14 (b) The parties need not be given more than 15 days' notice before the hearing is held, if the 15 Commission finds that an expedited hearing is necessary. At any hearing, a party or a witness may 16 be advised by counsel. 17 (c) If any party, after proper notice, does not appear at the scheduled hearing, the hearing panel 18 may order any relief to another party that the facts on record warrant. 19 (d) The hearing panel may award costs, including reasonable attorney's fees, to any party if the 20 other party: 21 (1) filed or maintained a frivolous dispute, or filed or maintained a dispute in bad faith; 22 (2) refused to participate in mediation of a dispute, unreasonably withdrew from mediation; 23 <u>or</u> 24 (3) substantially delayed or hindered the dispute resolution process without good cause. The 25 hearing panel may also require the losing party in a dispute to pay all or part of the filing fee. 26 (e) The hearing panel must apply State and County laws and all relevant caselaw to the facts of 27 the dispute and may order the payment of damages and any other relief that the law and the facts 28 warrant. The decision of the hearing panel is binding on the parties, subject to judicial review. 29 (f) A party aggrieved by a final decision in a case governed by this Division may seek judicial 30 review of the decision in the Circuit Court under the applicable Maryland Rules of Procedure governing judicial review of administrative agency decisions. A party aggrieved by the decision 31

- of the Circuit Court may appeal that decision to the Maryland Court of Appeals. Unless the court reviewing the decision of the hearing authority orders a stay, the hearing authority's decision remains in effect pending a final decision of the court.
- (g) If the hearing has been held under Section 13-324(d), the hearing examiner must forward a recommended decision and an order to a Commission panel. The Commission panel may adopt, reverse, modify, or remand the recommended decision before issuing its final order as provided in this Section.
- (h) An appeal of a decision under this Section must be consolidated with any case filed under Section 13-319 that arises out of the same facts.
- (i) The court hearing an appeal must sustain the decision of the hearing panel unless the decision is:
 - (1) inconsistent with applicable law;
 - (2) not supported by substantial evidence on the record; or
 - (3) arbitrary and capricious, considering all facts before the hearing panel.
- (j) The Commission, acting through the Office, and the County Attorney, may enforce a decision of the hearing panel by taking any appropriate legal action.
- (k) In addition to any other penalty allowed by law, any person who does not comply with a final Commission order issued under this Division has committed a civil penalty with a maximum of a \$500 fine for an initial offense and a [\$750] \$1,000 fine for each repeat offense. Each day that a person does not comply with a Commission order is a separate offense.

Sec. 13-326. Settlement of disputes; assistance to parties.

- (a) Settlement of a dispute by mediation agreed to by the parties is binding, has the force and effect of a contract, and may be enforced accordingly.
- (b) The Director may inform any party who has settled a dispute by mediation, or any party who prevails in a hearing held under Section 13-325, about how the agreement or decision can be enforced.
- SECTION 3. BE IT FURTHER ENACTED that the provisions of this Act are hereby declared to be severable; and, in the event that any section, subsection, paragraph, subparagraph, sentence, clause, phrase, or word of this Act is declared invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the remaining words, phrases, clauses, sentences, subparagraphs, paragraphs, subsections, or sections of this Act, since

the same would have been enacted without the incorporation in this Act of any such invalid			
unconstitutional word, phrase, clause, sentence, paragraph, subparagraph, subsection, or section.			
SECTION 4. BE IT FURTHER ENACTED that this Act shall take effect forty-five (45)			
calendar days after it becomes law.			
SECTION 5. BE IT FURTHER ENACTED that the provisions of this Act shall be			
implemented beginning in Fiscal Year 2026, subject to appropriation.			
Adopted this 17 th day of September, 2024.			
	COUNTY COUNCIL OF PRINCE GEORGE'S COUNTY, MARYLAND		
BY:	Jolene Ivey Chair		
Donna J. Brown Clerk of the Council DATE: BY:	APPROVED: Angela D. Alsobrooks County Executive		