

~~(b) on or before January 1, 2005, report its findings and recommendations to the House Health and Government Operations Committee and the Senate Education, Health, and Environmental Affairs Committee, in accordance with § 2-1246 of the State Government Article.~~

SECTION ~~2-3~~ 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2004.

Approved May 26, 2004.

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**CHAPTER 507**

**(House Bill 566)**

AN ACT concerning

**Homeowners Associations - Annual Charges**

FOR the purpose of requiring a homeowners association to base a certain annual charge on a certain phased in value under certain circumstances; requiring the governing body of a homeowners association to provide a rebate or credit from a certain annual charge under certain circumstances; providing that, when calculating a certain annual charge, a homeowners association may not consider the rate of assessed value of property to have increased by more than a certain amount in a taxable year under certain circumstances; defining a certain term; stating the intent of the General Assembly; clarifying that certain valuations of property for certain purposes shall be a certain percentage of the phased in value; providing for the application of this Act; making the provisions of this Act severable; and generally relating to an annual charge imposed by a homeowners association.

BY adding to

Article - Real Property

Section 11B-113.1

Annotated Code of Maryland

(2003 Replacement Volume and 2003 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

**Article - Real Property**

11B-113.1.

(A) IT IS THE INTENT OF THE GENERAL ASSEMBLY TO PREVENT UNFAIR TREATMENT OF PROPERTY OWNERS BY A HOMEOWNERS ASSOCIATION WHEN ANNUAL CHARGES BASED ON THE ASSESSED VALUE OF PROPERTY IMPOSED BY THE HOMEOWNERS ASSOCIATION INCREASE AT SUCH A RATE THAT IT CREATES AN UNEXPECTED WINDFALL FOR THE HOMEOWNERS ASSOCIATION.