

## Testimony Opposing HB303 - Regulation of Community Managers

Dear Chairman Smith, Vice-Chair Waldstreicher, and Members of the Judicial Proceedings Committee:

The Community Associations Institute's Maryland Legislative Action Committee (MD LAC) has worked with Delegate Holmes since 2021 on regulating community managers. We oppose HB303 because it creates unnecessary barriers and extra costs without real benefits to homeowners.

This bill conflicts with CAI's national policy. It makes it harder to enter the field and places heavy costs on small businesses, which get passed to homeowners through higher management fees for licenses, bonding, and education requirements.

CAI already offers seven credentials for community association professionals, covering management (AMS, PCAM, LSM, AAMC), insurance (CIRMS), reserves (RS), and attorneys (CCAL). These ensure managers protect associations' finances, property, and community harmony.

We support professional certification with mandatory education, testing, conduct standards, and insurance. Licensing adds barriers, especially for immigrants, those with records, low-income workers, veterans, and military spouses due to fees, lost work time, childcare needs, and complex exams.

Only eight states require licensing, and some are ending these programs. Colorado ended theirs in 2019 because it didn't remove bad actors. Fraud and embezzlement are already crimes with strong penalties, and Maryland already requires fidelity insurance bonds. The \$2 million bond in HB303 is duplicative.

The 2024 fiscal note states small businesses will spend at least \$850 on licenses plus training and credential costs, all passed to homeowners. Licensing has failed to deliver protections in other states. When boards and homeowners learn about the extra costs, they overwhelmingly oppose licensing.

Please oppose HB303. It will raise costs without helping communities. Thirty-nine constituents have already expressed opposition. Contact us with questions:

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Thank you for your consideration.