



Maryland 2024 Legislative Update

Community Associations Newsletter

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There were many bills surrounding affordable housing this session and, of course, clean energy initiatives; some of which passed, and others did not. The following bills passed the Maryland General Assembly in the 2024 session and were signed by Governor Wes Moore. The laws will become effective (unless otherwise indicated) on October 1, 2024. Please feel free to contact us if you have any questions.

High-Rise Buildings – Fire Safety Requirements

Before we get to the first bill, we have to recap what happened previously. In 2018, the Maryland State Fire Prevention Commission determined that all high-rise residential buildings that do not have a building-wide sprinkler system are an “inimicable hazard”. Following this determination, the Maryland State Fire Marshall mandated that all residential high-rise buildings in Maryland be retrofitted with a full sprinkler system no later than January 1, 2033. This included existing condominiums and housing cooperatives. The mandate did not apply to new construction because starting back in 1990 all new construction high-rise buildings were required to have a full sprinkler system. This mandate caused serious financial concerns for the Boards of Directors for existing high-rise condominiums and cooperatives built before 1990.

In January 2024, the Office of the Fire Marshall determined that the mandate to retrofit high-rise residential buildings with sprinkler systems would not be enforced. The decision to halt the enforcement of the mandate led to the passage of the first bill that we will discuss.

Fire Protection and Prevention – Residential Rental Property – Requirements (Melanie Nicholle Dias Fire Safety Act)

This law requires certain fire safety measures in residential rental high-rise buildings. The bill defines a “high-rise building” as a structure with seven or more stories above grade level or over 75 feet in height. Effective July 31, 2025, high-rise buildings must install smoke detectors according to National Fire Protection Association (NFPA) standards. Counties are barred from imposing additional fire safety system upgrades as a condition for issuing smoke detector installation permits. The legislation expands existing law to mandate housing providers to equip rental units with notification devices suitable for alerting deafblind individuals during fire emergencies. It prohibits landlords from charging these individuals for such devices or requiring documentation of their status.

Starting July 1, 2024, owners of high-rise buildings without sprinkler systems must post signage, and starting January 1, 2025, include a lease provision, indicating the absence of sprinklers. The bill also mandates emergency escape lighting consistent with NFPA standards for all common egress routes. The Maryland Department of Housing and Community Development is tasked with identifying funding sources for sprinkler system installation. Additionally, the bill establishes a Workgroup to Develop Fire Safety Best Practices for Pre-1974 High-Rise Apartment Buildings. The bill will take effect on June 1, 2024.

Affordable Housing Land Trusts - Authority to Establish Condominium Regimes

This new law empowers affordable housing land trusts to acquire and manage residential real property for the purpose of promoting affordable housing. The legislation grants these trusts the authority to acquire property interests, facilitate construction, and undertake property improvements. Furthermore, the bill allows for the execution of affordable housing land trust agreements and enables trusts to engage in various activities related to property sales, leasing, management, maintenance, and preservation. By providing legal mechanisms and resources to affordable housing land trusts, the legislation aims to enhance the availability of affordable housing options and promote community development including authorizing the construction of a condominium regime on a leasehold estate owned by an affordable housing land trust.

Condominiums - Asbestos Disclosure

This law mandates specific disclosures regarding asbestos presence in condominium units. For initial sales, Declarants must include in the notice whether they have actual knowledge of asbestos presence on the site, its location, abatement history, and dates of abatement. Similarly, for resales by unit owners, purchasers must be informed of asbestos presence, its location, and abatement history during the owner's occupancy. Originally, the bills required similar disclosures from the unit owners' council to purchasers, but these provisions were removed due to concerns about potential liability implications.

Electric Vehicle Recharging Equipment Act of 2024

This new law defines "electric vehicle recharging equipment" as property within the state of Maryland that is used for recharging vehicles propelled by electricity and mandates a homeowner who installs such equipment to maintain insurance coverage for such equipment while installed. The legislation also expands the Department of Housing and Community Development's (DHCD) website to include information on the requirements for common ownership communities regarding electric vehicle recharging equipment; details on contractors, insurers, and a point of contact for assistance with related inquiries; and resources for dispute resolution between individuals and common ownership communities.

Common Elements – Clean Energy Equipment

This law establishes a specific procedure by which the board of directors of a condominium may grant a lease in excess of one year, or a similar interest affecting the common elements of the condominium, for the installation and use of leased "clean energy equipment." The bill defines "clean energy equipment"

as electric vehicle recharging equipment, solar energy equipment, and energy storage systems. Additionally, the bill authorizes the board of directors, by a majority vote, to grant leases in excess of one year for the installation and use of leased clean energy equipment. Finally, the bill establishes that a board of directors may grant such a lease only at a meeting of the board held after at least 30 days' notice to all unit owners of record. It also prohibits a mortgagee or group of mortgagees from overruling a vote to grant an interest in the lease.

Condominium and HOA Repair and Rehabilitation Funds

This law authorizes counties and municipalities to establish local trust funds for repairing or rehabilitating infrastructure in communities governed by the Maryland Condominium Act or the Maryland Homeowners Association Act. Funding sources could include property taxes from condos or homeowners' associations (HOA) owners, additional county or municipal appropriations, gifts or donations, and investment earnings. The funds created could be used for repairing public infrastructure like roads and stormwater management facilities, but not for recreational facilities exclusive to certain members or guests of condos or HOAs. Additionally, the bill requires lot owners in HOAs or unit owners in condos to pay property taxes, with a portion allocated to the fund based on criteria set by the municipality or county. Priority for fund support will be given to condos and HOAs with the greatest infrastructure repair or rehabilitation needs.

Cooperatives - Dispute Settlement

This law alters the dispute settlement mechanism under the Maryland Cooperative Housing Corporation Act and makes other technical and clarifying changes. The provisions of this bill are similar to the legislation passed several years ago for condominiums and homeowner associations. Highlights of the bill include a requirement that a written cease and desist demand for the alleged violation must specify, among other existing provisions, a time period of at least 15 days, rather than 10 days, to stop the alleged continuing violation without further sanction; the governing body of a cooperative housing corporation must send notices to a member at the address of record, rather than serve the member; a member of a co-op has a right to request a hearing to be held by the governing body; notice advising a member of the right to request a hearing must specify the procedure for requesting a hearing and the timeframe for submitting the request, which may not be less than 10 days beginning on the date of the notice; and the governing body must give a member at least 10 days written notice of the time and place of any hearing. If the member fails to request a hearing within the time given in the notice, the governing body, at the following meeting, may assess whether the infringement occurred and whether a sanction is necessary for the violation.

Condominiums - Voting Threshold to Amend a Condominium Association's Declaration

This law lowers the threshold of unit owners listed on the current roster of a condominium needed to consent to an amendment of the condominium's declaration from 80% to 66 2/3%. Nonetheless, the existing threshold of 80% is still applicable if the developer owns any of the condominium units.

Detached Units Insurance

During the 2023 legislative session, a new law was adopted to require detached unit owners within a condominium to obtain separate insurance policies on their units. As the insurance requirements for both the condominium association and individual unit owners were unclear within the law, a bill was proposed this session to provide clarification. As adopted, this law requires Unit Owners in a full detached unit community to have insurance unless the condominium elects to insure all units. If some units in the condominium are detached, but not all, the condominium must provide insurance for all of the units. In addition, if the detached units are required to have their own insurance, the condominium must now provide notice to the unit owners of their obligation to secure insurance.

Recording a Falsified Deed

An individual is prohibited from recording a deed or other instrument when a person knows that it contains false information. This includes information related to property ownership. A violator is guilty of a misdemeanor and is subject to a maximum penalty of \$500. The prosecution of this offense must be initiated within three years of the offense and the court may award either party costs and reasonable attorney's fees in an action to quiet title.

Recreational Facilities

Except for a health club services agreement for services to be rendered for an adult, any provision in a contract or agreement relating to the use of a "recreational facility" that purports to limit the recreational facility's liability or release the recreational facility from, or indemnify or hold harmless the recreational facility against, liability for injury caused by or resulting from negligence or other wrongful act of the recreational facility is against public policy and therefore void and unenforceable. The bill defines "recreational facility" as a commercial recreational facility, athletic facility, or an amusement attraction. Gymnasiums and swimming pools are specifically included as recreational facilities.

Prince George's County Bill – Landlord-Tenant Regulations – Security Measures and Security Equipment

This legislation went into effect on November 30, 2023. It requires that landlords who lease three or more units in a condominium or a cooperative to provide and maintain a 24-hour telephone number and/or answering service where tenants may contact the landlord in the event of an emergency and to post the number in a conspicuous place and include it in all leases. Additionally, the landlord must ensure that security equipment in multi-family rental housing which includes condominiums and cooperatives shall be maintained in safe and good working condition. This requirement includes garages, parking lots, entryway locks, lighting, security cameras, alarm systems, fencing and security gates. If the leased units are located within a high occupancy dwelling facility (defined as a group of building of more than 100 units) then the building must have installed 24-hour security cameras on each building with a field of view of 180 degrees and a view of each area of ingress and egress including emergency exits. The cameras must have a minimum resolution of 1080p and, if it tracks the date and time, shall be tracked in Eastern

Standard Time. Additionally, the landlord must retain the security footage for no less than 30 days. Any fines assessed for violation of this statute shall be levied against the landlord. However, if the Association is leasing three or more units or has an owner who is leasing three or more units, the Association may have to comply or work with the landlord to ensure compliance with these new safety requirements.

BILLS THAT DID NOT PASS

There were several bills proposed that did not pass. Those bills included a proposed amendment to the statutory provisions pertaining to solar collector systems; a proposed requirement for state-wide licensing for community managers; and a proposed amendment to clarify the reserve statutes in both the HOA Act and the Condominium Act.

If you have any questions about the contents of this memo, please contact one of our Maryland-licensed community association attorneys