



# REES BROOME, PC



## COMMUNITY ASSOCIATIONS NEWSLETTER

### 2025 Maryland Legislative Update

**By: Hillary A. Collins and Nicole A. Williams**

#### **2025 MARYLAND LEGISLATIVE UPDATE**

This year's legislative session was consumed by the budget and the structural deficit that the legislature faced due to a number of factors. As a result, many bills that would have helped community associations did not pass. The following bills passed the Maryland General Assembly in the 2025 session and were signed by Governor Wes Moore. The laws will become effective on October 1, 2025. Please feel free to contact us if you have any questions.

#### **HB 4/SB 120 - Restrictions on Use - Solar Collector Systems – Alteration**

The adoption of this legislation was the result of a multi-year effort by the Maryland Legislative Action Committee of CAI to balance the rights of homeowners to install solar panels in certain situations with that of community associations to impose reasonable rules and regulations for such solar panels.

This bill states that an association may impose restrictions on solar panels on an individual unit so long as those restrictions do not increase installation costs by over 5% or decrease efficiency by over 10%. Under this legislation, the installation of solar panels must be performed by a certified professional. Associations may prohibit the installation of solar panels in common areas, and may otherwise create restrictions on the size, number, and location of solar panels in common areas. Of note, this bill mirrors the statute on solar panel restrictions in Virginia.

#### **HB 292/SB 63 - Cooperative Housing Corporations, Condominiums, and Homeowners Associations - Funding of Reserve Accounts and Preparation of Funding Plans**

This bill makes necessary adjustments and clarifications to Maryland's existing reserve study and funding mandates. This bill increases the deadline to meet reserve funding requirements from 3 years to 5 years and requires associations to select a funding method consistent with generally accepted accounting principles as part of the funding plan. The bill also includes a mechanism for associations facing financial hardship to defer reserve payments. This bill requires reserve studies to be conducted by qualified individuals at regular intervals, providing a path for full reserve funding over a reasonable period of time.

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1900 Gallows Road • Suite 700 • Tysons Corner, Virginia 22182 • (703) 790-1911 • Fax: (703) 848-2530  
7101 Wisconsin Avenue • Suite 1201 • Bethesda, Maryland 20814 • (301) 222-0152 • Fax: (240) 802-2109  
1602 Village Market Blvd SE Suite 385 Leesburg, Virginia 20175 • (703) 790-1911 • Fax: (703) 848-2530  
[www.reesbroome.com](http://www.reesbroome.com)

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**HB 1466/ SB 891 Land Use and Real Property - Accessory Dwelling Units –  
Requirements and Prohibitions**

The bill establishes a state policy to promote and encourage the creation of accessory dwelling units (ADUs) to help meet housing needs. The bill also requires adoption of local laws authorizing ADUs and prohibits unreasonable limitations on owners who seek to develop or offer for rent an ADU. Additionally, the bill authorizes homeowners' associations to treat an ADU as a separate lot for purposes of voting and assessments.

**HB 785 Common Ownership Communities and Zoning Authorities –  
Operation of Family Child Care Homes – Limitations**

This legislation prohibits cooperative housing corporations, condominium associations, and homeowners associations from restricting or limiting the operation of family childcare homes, including large family childcare homes, below the number authorized by the State Department of Education. Local jurisdictions are also barred from setting restrictions below this threshold. The provisions of this legislation makes certain that these childcare facilities are considered residential activities and permit their operation. This bill also now allows cooperatives, and continues to allow condominiums and homeowner associations, to charge fees related to insurance and common area use, with specific conditions, and mandates liability insurance for family childcare providers.

**SB 758 Condominiums and Homeowners Associations –  
Elections, Financial Statements, and Enforcement**

This bill increases burdens on associations by mandating specific election procedures.

Many provisions in this bill are already covered by existing laws and association documents. Some governing documents have very well-defined election procedures that provide more transparency and owner oversight than outlined in this proposed statute.

As we interpret the bill, third-party management (not employed directly by the Association) may prepare and send out the notices for an election but cannot handle the collection or tabulation of votes. That part of the election process must be performed by an "independent" homeowner (who is not a candidate or electioneering on behalf of a candidate, or subject to an objection by more than 25% of the eligible voting members, or a third-party vendor (e.g. electronic voting platform). We recommend that Associations provide copies of all election notices that it prepares to the independent homeowner/election vendor counting the votes to confirm they were sent out correctly, prior to tabulation of the votes. The independent homeowner is akin to an inspector of election that many communities already appoint during the elections process.

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These requirements increase costs by necessitating third-party hires or additional administrative expenses due to increased bureaucracy.

**HB 755 /SB 540 Common Ownership Communities –  
Recreational Common Areas – Sensitive Information as Condition for Access**

This bill prohibits common ownership communities from requiring certain sensitive information from a member, owner, or occupant as a condition for accessing or using any recreational common areas within the Association. Sensitive information is defined as a social security number, taxpayer identification number, birth certificate, racial or ethnic origin, national origin, citizenship or immigration status, medical records or religious or philosophical beliefs. However, this does not prevent a common ownership community from requiring a copy of government-issued identification such as a driver's license.

**HB 1148 Residential Condominium Unit Insurance –  
Lapses in Coverage – Prohibition on Denial**

This bill prohibits an insurer from refusing to issue a residential condominium insurance policy based solely on a prior lapse in coverage of the applicant, if the lapse of coverage was due to an insurer's withdrawal from the market and the lapse was not for more than 90 days. Under the provisions of this bill, the applicant must produce an affidavit that the applicant has not incurred any losses during the lapse in coverage and any other documentation required by the insurer.

**HB 360 Prince George's County – Community Association –  
Registration Fees for Administrative Hearing Process**

This bill modifies the registration of all common ownership communities in Prince George's County. The County Executive must set an annual registration fee in an amount that will adequately fund the cost to establish an administrative hearing process by the County's Office of Community Relations. Common ownership communities that are not registered or that falsely register with the County will not be able to utilize the County's administrative hearing process until the community is properly registered.

**Withdrawal of City of Gaithersburg from Montgomery County CCOC**

Beginning July 1, 2025, community associations within the City of Gaithersburg are no longer required to register with the Montgomery County CCOC. Community associations may voluntarily participate in the CCOC, but it is no longer required. The City of Gaithersburg is exploring an alternate mechanism for association disputes but there are no details at this time.

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**BILLS THAT DID NOT PASS**

In spite of efforts by the Maryland Legislative Action Committee of CAI and others, HB 449/SB 446 in support of increasing the condominium unit owner deductible responsibility from the current \$10,000 cap to \$25,000, when a loss originates in a condominium unit, did not pass during the 2025 legislative session. This was the first year this legislation was introduced, so there is hope that bill sponsors will reintroduce the legislation next session. It is very common for a bill not to pass the first year it is introduced. Similarly, HB 1541 to require mandatory HO6 coverage for all condominium unit owners also did not pass along with mandatory manager licensing.

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