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COMMUNITY ASSOCIATIONS NEWSLETTER

2026 Maryland Legislative Update

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2026 MARYLAND LEGISLATIVE UPDATE

This year's legislative session included numerous bills pertaining to the regulation of community associations, management agents and Boards of Directors. Fortunately, many of those bills did not pass. As a result of the significant efforts of the Maryland Legislative Action Committee (LAC) for the Community Association Institute (CAI) and supporting legislators, a bill to increase the master policy insurance deductible for unit owners to $25,000 (as of October 1, 2027) and mandate individual homeowners' insurance (Ho6) policies to cover those deductibles, successfully passed. Overall, the 2026 session was positive for community associations.

Below is a summary of the most relevant legislation this past session.

BILLS THAT PASSED

SB 747/HB 469 - Restrictions on Use - Condominiums - Unit Owner Responsibility for Damage or Destruction and Mandatory Insurance Coverage

This bill requires condominium unit owners in Maryland to carry certain coverages within an HO-6/condominium unit owners' policy. This bill increases from $10,000 to $25,000 a unit owner's responsibility for payment of property damage, or the association's deductible not to exceed $25,000, when a loss originates in a unit/from a component that services only that unit. To fund this responsibility, the bill also requires condominium owners to carry $25,000 of Building Property/Dwelling Coverage and $25,000 of Loss Assessment. This bill has an effective date of October 1, 2027. The bill does not apply to condominiums comprised entirely of detached units.

SB 758/ HB 0855 – Common Ownership Communities – Candidate or Proposition Signs – Display Period

This bill amends the current statute on candidate and proposition signs. Under the current law, condominiums, cooperatives and homeowners' associations may not restrict the display of candidate signs or signs that support/do not support any proposition for 30 days before the primary election, general election, or vote on the proposition.

This new legislation expands that timeframe from 30 days to 45 days. Moving forward, condominiums, cooperatives and homeowners' associations may not restrict these signs and displays for 45 days before the start of early voting for a primary election, general election, or vote on a proposition.

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If there is no early voting, then the timeframe runs from 45 days before the primary election, general election, or vote on the proposition. Condominiums, cooperatives and homeowners' associations may still restrict candidate signs and proposition signs 7 days after the election or vote on the proposition. As this was an emergency bill, it is already enacted.

House Bill 1532 - Utility RELIEF (Reducing Energy Load Inflation for Everyday Families) Act

This new Act legalizes plug-in balcony solar systems with a maximum output of 1,200 watts. Under this law, both renters and homeowners may plug qualifying micro-inverter systems directly into standard wall outlets without paying utility interconnection or permitting fees. This law does not automatically override private lease terms, condo regulations, or homeowners association rules pertaining to solar systems. Community Association policies pertaining to solar systems must still be followed by homeowners and/or renters. Community Associations may have a reasonable basis to restrict such plug-in solar panels.

<u>BILLS THAT DID NOT PASS</u>

HB 955/SB 955 Condominiums and Homeowners Associations – Elections, Financial Statements, and Enforcement

This proposal was a clean-up bill of last year's changes to the Condominium Act and HOA Act, which led to the requirement that elections be conducted by independent parties. Last year's changes created significant confusion as the new law provides that managers are not considered independent parties, resulting in a one-size-fits-all approach that not only disrupted decades of established practice but also increased costs for associations.

The bill suggested amendments to last year's law which would have done the following:

• Limit the law's application to contested elections only (where there are more candidates than open positions),
• Clarify the definition of "independent party,"
• Exempt very small associations in order to reduce election-related expenses, and
• Clarify a misinterpretation of the law regarding proxy holders.

Unfortunately, this bill did not pass.

HB 402 Common Ownership Communities – Ombudsman Unit, Governing Document Database, and Local Commissions

HB 402 would have created a state ombudsman to handle community association complaints, and impose new registration requirements for community associations. This bill would have added administrative burdens on community associations and established a costly, ineffective program at a time the state is facing a budget deficit. Only nine states have similar offices, which typically allow homeowner complaints but offer no support to association boards and serve only a fraction of residents. These matters are better handled through existing association dispute resolution processes.

Fortunately, this did not pass.

HB 537 Residential Owners in Common Ownership Communities – Bill of Rights

HB 537 would have created a one-size-fits-all Owner's Bill of Rights without regard to existing law, existing governing documents, existing rules and established procedures on such topics as:

- Budgets and budget amendments;
- Voting on financial decisions;
- Meeting notices and agendas;
- Election procedures; and,
- Community association managers.

Maryland state law already provides directives and procedures for most of these issues and relies on an association's governing documents to address association-specific issues. HB 537 had a 15-point litany of rights imposing a top-down process on all associations, regardless of whether the issue stems from unclear governing documents or simply from a lack of community consensus. The lack of definition and clarity did not promote homeowner protection and instead would have created costly disputes resulting in the need to consult attorneys and hire additional service providers.

This bill ultimately died.

HB 853 Real Property – Regulation of Common Ownership Community Managers

Much like past legislative proposals, HB 853 would have established a State Board of Common Ownership Community Managers in the Maryland Department of Labor to regulate mandated community association manager state licenses. This bill would have instituted new fees on community association managers and community association boards, such as an application fee for licenses and registration fees to fund the new licensing board.

This bill did not pass.

HB 1132 Condos & HOAs – Resale Contracts – Notice Requirements (Keeping Affordable Housing Affordable Act)

This is the second time that we have seen this bill within the last three years. The aim of this bill was to accelerate the time in which condominium associations and homeowners association must provide resale certifications. This bill would have reduced the timeframe from twenty (20) days to ten (10) days, which is a much more difficult timeline for an association to adhere to. The bill also proposed to reduce fee caps for preparing resale certificates.

This bill did not pass.

HB 1362 Condominiums and Homeowners Associations – Meetings – Recording Requirements

This bill attempted to require Maryland homeowners' associations and condominium associations to record (with audio or video) all open Board meetings unless a homeowner/unit owner present at the meeting objected to the recording. Under this bill, associations were also required to maintain copies of the meetings and provide them in response to a record request. Maryland is a two part consent state when it comes to recording with audio. Under current law, if a party does not consent to being recorded, then the recording of that individual is a felony in Maryland. This bill did not account for the implications of the Maryland Wiretapping and Electronic Surveillance Act. The bill also did not establish clear standards for the storage, retention, or chain of custody of recordings, particularly in cases of management company turnover.

This bill did not pass.

COUNTY SPECIFIC BILLS

SB 537 Charles County – Governing Bodies of Common Ownership Communities – Member Training

This bill requires each member of a board of directors or officer of a condominium or homeowners association in Charles County, Maryland to successful complete a training on the responsibilities of being a board member or officer within 90 days of election or appointment and every three years thereafter. This bill allows the common ownership commission that is recognized by the state, a local government, or an organization approved to administer the training by a recognized common ownership commission to administer the training.

This bill passed.

HB 1529 Baltimore County – Local Commission on Common Ownership Communities

This bill sough to establish specific requirements for the creation of a common ownership commission in Baltimore County that is similar to such commissions that we see in other counties. This commission may have established a non-judicial dispute resolution process that is similar to that seen in other counties.

This bill did not pass.

Prince George's County CR-005-2026 – Common Ownership Communities Program Rules and Regulations

This bill, recently passed by the Prince George's County Council, imposes many requirements on condominiums, homeowners associations and cooperatives in Prince George's County, including, mandatory maintenance of online copies of all executed contracts and governing documents with free access to all homeowners and electronic forwarding of all executed contracts to the membership on the 1st of each year and/or any new or modified contracts within 30 days of execution. This resolution also requires that a majority of the board members reside within the community and have training in community governance and emergency preparedness.

This resolution prohibits an association from charging more than ten cents ($0.10) per page for copies of documents, and places the responsibility of maintaining the association's documents on the property manager, which conflicts with the Bylaws of most communities. Regardless of the requirements of the Bylaws for an association, all communities must meet have open meetings once a quarter.

This resolution assesses fines for non-compliance with the resolution against the property management company as liquidated damages, or the board if there is no such property manager. Lastly, it requires the board to provide electronic or mail notification of the depletion of reserve funds with the triggering threshold amount for the requirement determined by the Prince George's County Commission on Common Ownership Communities.

This bill is not clear on who must provide the training required under the resolution. In addition, the bill does not specify how the CCOC will determine the threshold amount for the reserves when there are thousands of common ownership communities in Prince George's County. Finally, the resolution does not address the legalities of making an agent of a corporation pay fines on behalf of the corporation for violations of the law.

This bill passed and its effective date is March 17, 2026.

If you have any questions regarding these bills, please contact one of our community association practitioners. You may reach Hillary Collins at hcollins@reesbroome.com or Nicole Williams at nwilliams@reesbroome.com.