

REES BROOME, PC

2026 D.C. Legislative Update July 2026

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Several bills moving through the DC Council could affect condominiums, cooperatives, and homeowners associations. The general trend is clear: DC is updating older laws, adding more regulation inside residential communities, and placing more responsibility on individual owners. It is important to note that the D.C. Council operates on a continuous two-year legislative cycle called a “Council Period”. During the Council Period, the Council meets year-around for legislative sessions. Because the Council does not operate on a traditional short-term state legislative schedule, proposed legislation and enactment are on a “rolling” basis throughout the year.

Condominium Insurance: Better Aligning Responsibility

The Condominium Insurance Amendment Act of 2025 (B26-0495) addresses a long-standing concern for condominium communities: rising insurance deductibles and how those costs should be allocated fairly.

In many cases, damage originating in one unit can result in substantial repair costs affecting multiple units or common elements. This bill is intended to place more financial responsibility on the unit connected to the loss, rather than spreading that burden across the entire community.

For example, if a leak from one unit causes major water damage, this bill would allow the association to pass along up to \$25,000 of the deductible to that unit owner, unless the bylaws allow a higher amount. The bill also clarifies minimum insurance requirements for unit owners.

Short-Term Rentals: Broader Participation, Ongoing Enforcement

The Short-Term Rental Regulation Amendment Act of 2026 (B26-0647) would expand access to the short-term rental market in DC.

The bill would: (1) allow tenants to get short-term rental licenses with owner approval; (2) allow owners to rent out a second DC property; and (3) create special event endorsements for times like inaugurations and the Cherry Blossom Festival. Applicants would still have to confirm that short-term rentals are allowed under their condo, co-op, or HOA rules.

Please note that even if DC expands short-term rental access, associations will still need to enforce their own governing documents. For that reason, communities should continue to monitor and enforce their leasing and occupancy restrictions proactively.

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Smoke-Free Housing: Expanding Regulation Into Residential Communities

The Smoke-Free Residential Environments Amendment Act of 2026 (B26-0590) would ban smoking indoors in buildings with two or more units and within 25 feet of entrances or windows when other people are present. Some associations already regulate smoking, but this bill would create a citywide standard and could reduce the need for communities to rely only on their own internal rules. More broadly, it reflects a continuing trend toward greater public-health regulation within private residential communities.

DC Water: Billing, Disconnection, and Utility Management

The DC Water Billing and Disconnection Modernization Amendment Act of 2025

Focuses on unpaid water bills and service shutoffs, especially in master-metered buildings where one account serves the whole property. The bill would add: (1) more notice before shutoff; (2) longer timelines before disconnection; (3) protections during extreme weather; and (4) more rights for tenants and owner-occupants to open service in their own names. Associations in master-metered buildings should pay close attention to utility billing and account management with DC Water and related agencies.

Structural Defect Warranty Claims: Limited Financial Assistance

DC law already allows associations to pursue warranty claims for structural defects in new or converted condominiums. Additionally, DC law allows Associations to pursue recovery against a developer through an administrative claim with the Department of Housing and Community Development. The District also offers a Warranty Filing Assistance Fund that may provide up to \$10,000 to help with claim preparation costs. This may help associations offset some of the upfront cost of pursuing a defect claim.

Building Energy Performance Standards: Immediate Compliance Pressure

Building Energy Performance Standards (BEPS) continue to be a major issue for larger buildings in DC. Buildings 10,000 square feet and up must comply, and those that fall short may face penalties unless they take corrective action. Boards and managers should treat BEPS as an immediate compliance and budgeting issue, especially in older buildings that may need upgrades.

DC Homeowners Association Act: New Governance in the District

In addition to the measures discussed above, work continues on what would become DC's first dedicated Homeowners Association Act. Because homeowners associations differ in important

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ways from condominiums, such legislation could provide clearer processes and more tailored guidance for HOA governance in the District.

For community associations, the main takeaway is simple: staying current on DC legislation is becoming more important every year, because these changes affect day-to-day operations, enforcement, budgeting, and compliance.

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