

HOUSE BILL 1132

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By: **Delegates Terrasa, Lehman, Ruth, and Ziegler**

Introduced and read first time: February 11, 2026

Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Condominiums and Homeowners Associations – Resale Contracts – Notice**
3 **Requirements**
4 **(Keeping Affordable Housing Affordable Act)**

5 FOR the purpose of altering the deadline by which certain required notices in certain resale
6 contracts must be provided to a purchaser; requiring the seller in certain resale
7 contracts to provide notice of certain changes in mandatory fees and payments and
8 other required disclosures; altering certain fees a council of unit owners or a
9 homeowners association or its agent may charge for providing certain disclosures;
10 altering the time period within which a purchaser may cancel a certain contract; and
11 generally relating to resale contract notice requirements.

12 BY repealing and reenacting, with amendments,
13 Article – Real Property
14 Section 11–135(a) through (c), 11B–106(a) and (c), and 11B–108(b)(1)
15 Annotated Code of Maryland
16 (2023 Replacement Volume and 2025 Supplement)

17 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
18 That the Laws of Maryland read as follows:

19 **Article – Real Property**

20 11–135.

21 (a) Except as provided in subsection (b) of this section, a contract for the resale of
22 a unit by a unit owner other than a developer is not enforceable unless the contract of sale
23 contains in conspicuous type a notice in the form specified in subsection (g)(1) of this
24 section, and the unit owner furnishes to the purchaser [not later than 15 days prior to
25 closing] **WITHIN 20 CALENDAR DAYS AFTER ENTERING INTO THE CONTRACT:**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



- 1 (1) A copy of the declaration (other than the plats);
- 2 (2) The bylaws;
- 3 (3) The rules or regulations of the condominium;
- 4 (4) A certificate containing:
 - 5 (i) A statement disclosing the effect on the proposed conveyance of
6 any right of first refusal or other restraint on the free alienability of the unit other than
7 any restraint created by the unit owner;
 - 8 (ii) A statement setting forth the amount of the common expense
9 assessment and any unpaid common expense or special assessment adopted by the council
10 of unit owners that is due and payable from the selling unit owner;
 - 11 (iii) A statement of any other fees payable by the unit owners to the
12 council of unit owners;
 - 13 (iv) A statement of any capital expenditures approved by the council
14 of unit owners planned at the time of the conveyance which are not reflected in the current
15 operating budget disclosed under item (vi) of this item;
 - 16 (v) The most recent regularly prepared balance sheet and income
17 expense statement, if any, of the condominium;
 - 18 (vi) The current operating budget of the condominium including the
19 current reserve study report or a summary of the report, a statement of the status and
20 amount of any reserve or replacement fund, or a statement that there is no reserve fund;
 - 21 (vii) A statement of any unsatisfied judgments or pending lawsuits to
22 which the council of unit owners is a party, excluding assessment collection suits;
 - 23 (viii) A statement generally describing any insurance policies provided
24 for the benefit of unit owners, a notice that copies of the policies are available for inspection,
25 stating the location at which the copies are available, and a notice that the terms of the
26 policy prevail over the description;
 - 27 (ix) A statement as to whether the council of unit owners has actual
28 knowledge of any violation of the health or building codes with respect to the common
29 elements of the condominium;
 - 30 (x) A description of any recreational or other facilities which are to
31 be used by the unit owners or maintained by them or the council of unit owners, and a
32 statement as to whether or not they are to be a part of the common elements; and

1 (xi) 1. A statement as to whether the council of unit owners has
2 entered into any agreement that settles or releases the council of unit owners' claims
3 related to common element warranties under § 11-131 of this title; and

4 2. A statement as to whether the board of directors has
5 disclosed to the council of unit owners in accordance with § 11-134.1(c)(2) of this title, the
6 board's intention to enter into an agreement for the purpose of settling a disputed common
7 element warranty claim under § 11-131 of this title;

8 (5) A statement by the unit owner as to whether the unit owner has
9 knowledge:

10 (i) That any alteration to the unit or to the limited common
11 elements assigned to the unit violates any provision of the declaration, bylaws, or rules and
12 regulations;

13 (ii) Of any violation of the health or building codes with respect to
14 the unit or the limited common elements assigned to the unit;

15 (iii) That the unit is subject to an extended lease under § 11-137 of
16 this title or under local law, and if so, a copy of the lease must be provided; and

17 (iv) Of the presence of asbestos in the unit, including a description of
18 the location of the asbestos, and whether abatement has been performed in the unit during
19 the occupancy of the owner; [and]

20 (6) A written notice of the unit owner's responsibility for the council of unit
21 owners' property insurance deductible and the amount of the deductible; **AND**

22 **(7) A WRITTEN NOTICE OF ANY CHANGE IN MANDATORY FEES OR**
23 **PAYMENTS EXCEEDING 10% OF THE AMOUNT PREVIOUSLY STATED TO EXIST OR ANY**
24 **OTHER SUBSTANTIAL AND MATERIAL CHANGE TO A DISCLOSURE REQUIRED UNDER**
25 **THIS SUBSECTION AFTER IT BECOMES KNOWN TO THE SELLER.**

26 (b) A contract for the resale by a unit owner other than a developer of a unit in a
27 condominium containing less than 7 units is not enforceable unless the contract of sale
28 contains in conspicuous type a notice in the form specified in subsection (g)(2) of this
29 section, and the unit owner furnishes to the purchaser [not later than 15 days prior to
30 closing] **WITHIN 20 CALENDAR DAYS AFTER ENTERING INTO THE CONTRACT:**

31 (1) A copy of the declaration (other than the plats);

32 (2) The bylaws;

33 (3) The rules and regulations of the condominium;

1 (4) A statement by the unit owner of the unit owner's expenses during the
2 preceding 12 months relating to the common elements; and

3 (5) A written notice of the unit owner's responsibility for the council of unit
4 owners' property insurance deductible and the amount of the deductible.

5 (c) (1) (I) [Except as provided in paragraph (4) of this subsection, the] **THE**
6 council of unit owners, within [20] **10** days after a written request by a unit owner and
7 receipt of a reasonable fee therefor, not to exceed the cost to the council of unit owners, if
8 any, up to a maximum of [\$250] **\$100**, shall furnish a certificate containing the information
9 necessary to enable the unit owner to comply with subsection (a) of this section.

10 (II) A unit owner providing a certificate under subsection (a) of this
11 section is not liable to the purchaser for any erroneous information provided by the council
12 of unit owners and included in the certificate.

13 (2) In addition to the fee under paragraph (1) of this subsection, the council
14 of unit owners [is entitled to a] **MAY CHARGE ONLY THE FOLLOWING FEES:**

15 (I) A reasonable fee not to exceed \$100 for an inspection of the unit
16 owner's unit, if required;

17 (II) A REASONABLE FEE NOT TO EXCEED \$50 FOR DELIVERY OF
18 THE CERTIFICATE WITHIN 5 DAYS AFTER THE REQUEST FOR THE CERTIFICATE; OR

19 (III) A REASONABLE FEE NOT TO EXCEED \$50 FOR A FINANCIAL
20 UPDATE ORDERED BY A SETTLEMENT AGENT.

21 [(3) In addition to the fees under paragraphs (1) and (2) of this subsection,
22 the council of unit owners is entitled to a reasonable fee:

23 (i) Not to exceed \$50 for delivery of the certificate within 14 days
24 after the request for the certificate; and

25 (ii) Not to exceed \$100 for delivery of the certificate within 7 days
26 after the request for the certificate.

27 (4) (i) The Department of Housing and Community Development shall
28 adjust the maximum fee authorized under paragraph (1) of this subsection every 2 years,
29 beginning October 1, 2018, to reflect any aggregate increase in the Consumer Price Index
30 for All Urban Consumers (CPI-U) for the Washington Metropolitan Area, or any successor
31 index, for the previous 2 years.

32 (ii) The Department of Housing and Community Development shall
33 maintain on its website a list of the maximum fees authorized under paragraph (1) of this
34 subsection as adjusted every 2 years in accordance with subparagraph (i) of this

1 paragraph.]

2 ~~[(5)]~~ **(3)** With respect to the remaining information that the unit owner is
3 required to disclose under subsection (a) of this section that is not provided by the council
4 of unit owners and included in the certificate, a unit owner:

5 (i) Except as provided in item (ii) of this paragraph, is liable to the
6 purchaser under this section for damages proximately caused by:

7 1. An untrue statement about a material fact; and

8 2. An omission of a material fact that is necessary to make
9 the statements made not misleading, in light of the circumstances under which the
10 statements were made; and

11 (ii) Is not liable to the purchaser under this section if the owner had,
12 after reasonable investigation, reasonable grounds to believe, and did believe, at the time
13 the information was provided to the purchaser, that the statements were true and that
14 there was no omission to state a material fact necessary to make the statements made not
15 misleading, in light of the circumstances under which the statements were made.

16 11B-106.

17 (a) A contract for the resale of a lot within a development, or for the initial sale of
18 a lot within a development containing 12 or fewer lots, to a member of the public who
19 intends to occupy or rent the lot for residential purposes, is not enforceable by the vendor
20 unless:

21 (1) The purchaser is given, on or before entering into the contract for the
22 sale of ~~[such]~~ **THE** lot, or within 20 calendar days of entering into the contract, the
23 disclosures set forth in subsection (b) of this section;

24 (2) The purchaser is given any changes in mandatory fees and payments
25 exceeding 10 percent of the amount previously stated to exist and any other substantial
26 and material amendment to the disclosures after they become known to the vendor; and

27 (3) The contract of sale contains a notice in conspicuous type, which shall
28 include bold and underscored type, in a form substantially the same as the following:

29 “**This sale is subject to the requirements of the Maryland Homeowners Association**
30 **Act (the “Act”). The Act requires that the seller disclose to you at or before the time the**
31 **contract is entered into, or within 20 calendar days of entering into the contract, certain**
32 **information concerning the development in which the lot you are purchasing is located. The**
33 **content of the information to be disclosed is set forth in § 11B-106(b) of the Act (the “MHAA**
34 **information”)** as follows:

35 (The notice shall include at this point the text of § 11B-106(b) in its entirety).

1 If you have not received all of the MHAA information [5] 7 calendar days or more
 2 before entering into the contract, you have [5] 7 calendar days to cancel this contract after
 3 receiving all of the MHAA information. You must cancel the contract in writing, but you do
 4 not have to state a reason. The seller must also provide you with notice of any changes in
 5 mandatory fees exceeding 10% of the amount previously stated to exist and copies of any
 6 other substantial and material amendment to the information provided to you. You have 3
 7 calendar days to cancel this contract after receiving notice of any changes in mandatory
 8 fees, or copies of any other substantial and material amendment to the MHAA information
 9 which adversely affects you. If you do cancel the contract you will be entitled to a refund of
 10 any deposit you made on account of the contract. However, unless you return the MHAA
 11 information to the seller when you cancel the contract, the seller may keep out of your
 12 deposit the cost of reproducing the MHAA information, or \$100, whichever amount is less.

13 By purchasing a lot within this development, you will automatically be subject to
 14 various rights, responsibilities, and obligations, including the obligation to pay certain
 15 assessments to the homeowners association within the development. The lot you are
 16 purchasing may have restrictions on:

- 17 (1) Architectural changes, design, color, landscaping, or appearance;
- 18 (2) Occupancy density;
- 19 (3) Kind, number, or use of vehicles;
- 20 (4) Renting, leasing, mortgaging, or conveying property;
- 21 (5) Commercial activity; or
- 22 (6) Other matters.

23 You should review the MHAA information carefully to ascertain your rights,
 24 responsibilities, and obligations within the development.”

25 (c) (1) [Except as provided in paragraph (4) of this subsection, within 20]
 26 **WITHIN 10** days after a written request by a lot owner other than a declarant and receipt
 27 of a reasonable fee, not to exceed the cost to the homeowners association, if any, up to a
 28 maximum of [250] **\$100**, the homeowners association, the management agent of the
 29 homeowners association, or any other authorized officer or agent of the homeowners
 30 association, shall provide the information listed under subsection (b) of this section.

31 (2) In addition to the fee under paragraph (1) of this subsection, the
 32 homeowners association [is entitled to a] **MAY CHARGE ONLY THE FOLLOWING FEES:**

33 (I) A reasonable fee not to exceed \$50 for an inspection of the lot
 34 owner’s lot if the inspection is required by the governing documents of the homeowners

1 association;

2 **(II) A REASONABLE FEE NOT TO EXCEED \$50 FOR DELIVERY OF**
3 **THE CERTIFICATE WITHIN 5 DAYS AFTER THE REQUEST FOR THE CERTIFICATE; AND**

4 **(III) A REASONABLE FEE NOT TO EXCEED \$50 FOR A FINANCIAL**
5 **UPDATE ORDERED BY A SETTLEMENT AGENT.**

6 [(3) In addition to the fees under paragraphs (1) and (2) of this subsection,
7 the homeowners association is entitled to a reasonable fee:

8 (i) Not to exceed \$50 for delivery of the information within 14 days
9 after the request for the information; and

10 (ii) Not to exceed \$100 for delivery of the information within 7 days
11 after the request for the information.

12 (4) (i) The Department of Housing and Community Development shall
13 adjust the maximum fee authorized under paragraph (1) of this subsection every 2 years,
14 beginning on October 1, 2018, to reflect any aggregate increase in the Consumer Price Index
15 for All Urban Consumers (CPI-U) for the Washington Metropolitan Area, or any successor
16 index, for the previous 2 years.

17 (ii) The Department of Housing and Community Development shall
18 maintain on its website a list of the maximum fees authorized under paragraph (1) of this
19 subsection as adjusted every 2 years in accordance with subparagraph (i) of this
20 paragraph.]

21 11B-108.

22 (b) (1) Any purchaser who has not received all of the disclosures required
23 under § 11B-105 or § 11B-106 of this title, as applicable, [5] 7 calendar days or more before
24 the contract was entered into, within [5] 7 calendar days following receipt by the purchaser
25 of the disclosures required by § 11B-105(a) and (b) or § 11B-106(a) and (b) of this title, as
26 applicable, may cancel in writing the contract without stating a reason and without liability
27 on the part of the purchaser.

28 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
29 October 1, 2026.