

HOUSE BILL 1132

N1

6lr3232

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

Introduced and read first time: February 11, 2026

Assigned to: Economic Matters

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 7, 2026

CHAPTER _____

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 and (c)~~, and 11B–106(a) and (c), ~~and 11B–108(b)(1)~~

15 Annotated Code of Maryland

16 (2023 Replacement Volume and 2025 Supplement)

17 BY repealing and reenacting, without amendments,

18 Article – Real Property

19 Section 11–135(b) and 11B–108(b)(1)

20 Annotated Code of Maryland

21 (2023 Replacement Volume and 2025 Supplement)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



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

3 **Article – Real Property**

4 11–135.

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

- 10 (1) A copy of the declaration (other than the plats);
- 11 (2) The bylaws;
- 12 (3) The rules or regulations of the condominium;
- 13 (4) A certificate containing:
- 14 (i) A statement disclosing the effect on the proposed conveyance of
15 any right of first refusal or other restraint on the free alienability of the unit other than
16 any restraint created by the unit owner;
- 17 (ii) A statement setting forth the amount of the common expense
18 assessment and any unpaid common expense or special assessment adopted by the council
19 of unit owners that is due and payable from the selling unit owner;
- 20 (iii) A statement of any other fees payable by the unit owners to the
21 council of unit owners;
- 22 (iv) A statement of any capital expenditures approved by the council
23 of unit owners planned at the time of the conveyance which are not reflected in the current
24 operating budget disclosed under item (vi) of this item;
- 25 (v) The most recent regularly prepared balance sheet and income
26 expense statement, if any, of the condominium;
- 27 (vi) The current operating budget of the condominium including the
28 current reserve study report or a summary of the report, a statement of the status and
29 amount of any reserve or replacement fund, or a statement that there is no reserve fund;
- 30 (vii) A statement of any unsatisfied judgments or pending lawsuits to
31 which the council of unit owners is a party, excluding assessment collection suits;

1 (viii) A statement generally describing any insurance policies provided
2 for the benefit of unit owners, a notice that copies of the policies are available for inspection,
3 stating the location at which the copies are available, and a notice that the terms of the
4 policy prevail over the description;

5 (ix) A statement as to whether the council of unit owners has actual
6 knowledge of any violation of the health or building codes with respect to the common
7 elements of the condominium;

8 (x) A description of any recreational or other facilities which are to
9 be used by the unit owners or maintained by them or the council of unit owners, and a
10 statement as to whether or not they are to be a part of the common elements; and

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

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

18 (5) A statement by the unit owner as to whether the unit owner has
19 knowledge:

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

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

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

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

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

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

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

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

7 (2) The bylaws;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

12 **[(5)] (3)** With respect to the remaining information that the unit owner is
13 required to disclose under subsection (a) of this section that is not provided by the council
14 of unit owners and included in the certificate, a unit owner:

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

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

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

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

26 11B-106.

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

31 (1) The purchaser is given, on or before entering into the contract for the
32 sale of [such] **THE** lot, or ~~within 20 calendar days of entering into the contract~~ **NOT LATER**
33 **THAN 15 DAYS BEFORE CLOSING**, the disclosures set forth in subsection (b) of this section;

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

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

6 “This sale is subject to the requirements of the Maryland Homeowners Association
7 Act (the “Act”). The Act requires that the seller disclose to you at or before the time the
8 contract is entered into, or ~~within 20 calendar days of entering into the contract~~ **NOT LATER**
9 **THAN 15 DAYS BEFORE CLOSING**, certain information concerning the development in
10 which the lot you are purchasing is located. The content of the information to be disclosed
11 is set forth in § 11B–106(b) of the Act (the “MHAA information”) as follows:

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

13 If you have not received all of the MHAA information ~~5-7 5~~ calendar days or more
14 before entering into the contract, you have ~~5-7 5~~ calendar days to cancel this contract
15 after receiving all of the MHAA information. You must cancel the contract in writing, but
16 you do not have to state a reason. The seller must also provide you with notice of any
17 changes in mandatory fees exceeding 10% of the amount previously stated to exist and
18 copies of any other substantial and material amendment to the information provided to
19 you. You have 3 calendar days to cancel this contract after receiving notice of any changes
20 in mandatory fees, or copies of any other substantial and material amendment to the
21 MHAA information which adversely affects you. If you do cancel the contract you will be
22 entitled to a refund of any deposit you made on account of the contract. However, unless
23 you return the MHAA information to the seller when you cancel the contract, the seller
24 may keep out of your deposit the cost of reproducing the MHAA information, or \$100,
25 whichever amount is less.

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

- 30 (1) Architectural changes, design, color, landscaping, or appearance;
- 31 (2) Occupancy density;
- 32 (3) Kind, number, or use of vehicles;
- 33 (4) Renting, leasing, mortgaging, or conveying property;
- 34 (5) Commercial activity; or
- 35 (6) Other matters.

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

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

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

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

14 (II) **A REASONABLE FEE NOT TO EXCEED \$50 FOR DELIVERY OF**
15 **~~THE CERTIFICATE~~ DISCLOSURE INFORMATION WITHIN 5 DAYS AFTER THE REQUEST**
16 **FOR THE ~~CERTIFICATE~~ DISCLOSURE INFORMATION; AND**

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

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

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

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

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

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

34 11B-108.

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

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

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.