

# HOUSE BILL 1506

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6lr3464

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By: **Delegate Ross**

Introduced and read first time: February 13, 2026

Assigned to: Economic Matters

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Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 9, 2026

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## CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Condominiums and Homeowners Associations – New Owner Fees – Limitations**

3 FOR the purpose of limiting the amount that a condominium or a homeowners association  
4 may charge a certain new unit or lot owner as an initial capital contribution or  
5 similar fee; requiring certain documents to include certain fees; exempting certain  
6 condominiums and homeowner associations from a certain limit on a certain initial  
7 capital contribution or similar fee; and generally relating to condominium and  
8 homeowners association assessments and fees.

9 BY adding to

10 Article – Real Property

11 Section 11–135.1 and 11B–120

12 Annotated Code of Maryland

13 (2023 Replacement Volume and 2025 Supplement)

14 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,

15 That the Laws of Maryland read as follows:

16 **Article – Real Property**

17 **11–135.1.**

18 **(A) IN THIS SECTION, “MASTER PLANNED COMMUNITY” MEANS A**  
19 **LARGE–SCALE, COMPREHENSIVE RESIDENTIAL DEVELOPMENT THAT INTEGRATES**  
20 **HOMES, COMMERCIAL SPACES, AND AMENITIES SUCH AS DOG PARKS, HIKING AND**

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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 BIKING TRAILS, POOLS, AND SPORT COURTS AND FUNCTIONS IN A SIMILAR MANNER  
2 TO MUNICIPALITIES.

3 (B) THIS SECTION DOES NOT APPLY TO A MASTER PLANNED COMMUNITY,  
4 INCLUDING A SENIOR AGE-RESTRICTED COMMUNITY, THAT PROVIDES SERVICES  
5 SIMILAR TO THOSE OFFERED BY MUNICIPALITIES FOR MULTIPLE INDIVIDUAL  
6 CONDOMINIUMS.

7 (C) AN INITIAL CAPITAL CONTRIBUTION OR SIMILAR FEE TO BE PAID AT  
8 CLOSING BY A NEW UNIT OWNER OTHER THAN AN INITIAL UNIT OWNER MAY NOT  
9 EXCEED THREE TIMES THE AMOUNT OF MONTHLY ASSESSMENTS PAID BY AN  
10 EXISTING UNIT OWNER AT THE TIME OF THE CLOSING.

11 (D) THE RESALE CERTIFICATE, PACKAGE, OR DISCLOSURE STATEMENT  
12 SHALL INCLUDE:

13 (1) THE FEE DESCRIBED IN SUBSECTION (C) OF THIS SECTION  
14 LABELED AS:

15 (I) A NEW OWNER FEE;

16 (II) AN INITIATION FEE; OR

17 (III) A CAPITAL CONTRIBUTION FEE;

18 (2) THE AMOUNT OF THE FEE DESCRIBED UNDER SUBSECTION (C) OF  
19 THIS SECTION; AND

20 (3) ANY OTHER FEE REQUIRED FOR SETTLEMENT.

21 **11B-120.**

22 (A) IN THIS SECTION, "MASTER PLANNED COMMUNITY" MEANS A  
23 LARGE-SCALE, COMPREHENSIVE RESIDENTIAL DEVELOPMENT THAT INTEGRATES  
24 HOMES, COMMERCIAL SPACES, AND AMENITIES SUCH AS DOG PARKS, HIKING AND  
25 BIKING TRAILS, POOLS, AND SPORT COURTS AND FUNCTIONS IN A SIMILAR MANNER  
26 TO MUNICIPALITIES.

27 (B) THIS SECTION DOES NOT APPLY TO A MASTER PLANNED COMMUNITY,  
28 INCLUDING A SENIOR AGE-RESTRICTED COMMUNITY, THAT PROVIDES SERVICES  
29 SIMILAR TO THOSE OFFERED BY MUNICIPALITIES FOR MULTIPLE INDIVIDUAL  
30 CONDOMINIUMS.

1           **(C) AN INITIAL CAPITAL CONTRIBUTION OR SIMILAR FEE TO BE PAID AT**  
2 **CLOSING BY A NEW LOT OWNER OTHER THAN AN INITIAL PURCHASER OF THE LOT**  
3 **MAY NOT EXCEED THREE TIMES THE AMOUNT OF MONTHLY ASSESSMENTS PAID BY**  
4 **AN EXISTING LOT OWNER AT THE TIME OF THE CLOSING.**

5           **(D) THE RESALE CERTIFICATE, PACKAGE, OR DISCLOSURE STATEMENT**  
6 **SHALL INCLUDE:**

7                   **(1) THE FEE DESCRIBED IN SUBSECTION (C) OF THIS SECTION**  
8 **LABELED:**

9                           **(I) A NEW OWNER FEE;**

10                           **(II) AN INITIATION FEE; OR**

11                           **(III) A CAPITAL CONTRIBUTION FEE;**

12                   **(2) THE AMOUNT OF THE FEE DESCRIBED UNDER SUBSECTION (C) OF**  
13 **THIS SECTION; AND**

14                   **(3) ANY OTHER FEE REQUIRED FOR SETTLEMENT.**

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

Approved:

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Governor.

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Speaker of the House of Delegates.

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President of the Senate.