

SENATE BILL 919

N1

6lr1684

By: **Senators Lewis Young, West, and Hettleman**

Introduced and read first time: February 6, 2026

Assigned to: Judicial Proceedings

A BILL ENTITLED

1 AN ACT concerning

2 **Homeowners Associations – Reserve Funding, Meeting Notices, Voting, and**
3 **Records**

4 FOR the purpose of requiring certain books and records kept by or on behalf of certain
5 homeowners associations to be posted on the homeowners association website, online
6 portal, or mobile device application; clarifying that a governing body of a
7 homeowners association may secure a line of credit or loan to fund certain reserves
8 under certain circumstances; requiring that certain homeowners associations
9 provide certain notice of a meeting by electronic transmission; requiring that a
10 governing body of a homeowners association hold a meeting to permit voting by
11 electronic transmission under certain circumstances; and generally relating to
12 reserve funding, meeting, notices, voting, and records.

13 BY repealing and reenacting, with amendments,

14 Article – Real Property

15 Section 11B–112(a), 11B–112.3(f), 11B–113.1, 11B–113.2, and 11B–113.6(a)

16 Annotated Code of Maryland

17 (2023 Replacement Volume and 2025 Supplement)

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

19 That the Laws of Maryland read as follows:

20 **Article – Real Property**

21 11B–112.

22 (a) (1) (i) Subject to the provisions of paragraph (2) of this subsection, all
23 books and records kept by or on behalf of the homeowners association shall be made
24 available for examination or copying, or both, by a lot owner, a lot owner's mortgagee, or
25 their respective duly authorized agents or attorneys, during normal business hours, and
26 after reasonable notice.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



5 (iii) If a lot owner requests in writing a copy of financial statements
6 of the homeowners association or the minutes of a meeting of the governing body of the
7 homeowners association to be delivered, the governing body of the homeowners association
8 shall compile and send the requested information by mail, electronic transmission, or
9 personal delivery:

(2) Books and records kept by or on behalf of a homeowners association may be withheld from public inspection, except for inspection by the person who is the subject of the record or the person's designee or guardian, to the extent that they concern:

(i) Personnel records, not including information on individual salaries, wages, bonuses, and other compensation paid to employees;

21 (ii) An individual's medical records;

(iii) An individual's personal financial records, including assets, income, liabilities, net worth, bank balances, financial history or activities, and creditworthiness;

25 (iv) Records relating to business transactions that are currently in
26 negotiation;

27 (v) The written advice of legal counsel; or

2. THE BYLAWS AND ANY AMENDMENTS TO THE BYLAWS;

31 (III) A HOMEOWNERS ASSOCIATION THAT DOES NOT USE A
32 WEBSITE, ONLINE PORTAL, OR MOBILE DEVICE APPLICATION SHALL DEVELOP A
33 WEBSITE, ONLINE PORTAL, OR MOBILE DEVICE APPLICATION THAT IS CAPABLE OF

1 STORING THE BOOKS AND RECORDS REQUIRED TO BE POSTED UNDER
2 SUBPARAGRAPH (II) OF THIS PARAGRAPH.

3 (IV) THE WEBSITE, ONLINE PORTAL, OR MOBILE DEVICE
4 APPLICATION DEVELOPED UNDER SUBPARAGRAPH (III) OF THIS PARAGRAPH MUST
5 BE MADE ACCESSIBLE TO THE LOT OWNERS:

6 1. FOR A HOMEOWNERS ASSOCIATION ESTABLISHED ON
7 OR BEFORE OCTOBER 1, 2026, BY OCTOBER 1, 2027; OR

8 2. FOR A HOMEOWNERS ASSOCIATION ESTABLISHED
9 AFTER OCTOBER 1, 2026, WITHIN 1 YEAR AFTER THE ELECTION OF A GOVERNING
10 BODY OF THE HOMEOWNERS ASSOCIATION REQUIRED UNDER § 11B-106.1 OF THIS
11 TITLE.

12 11B-112.3.

13 (f) (1) The governing body of a homeowners association shall, in consultation
14 with a person identified under subsection (e)(1) of this section, develop a funding plan to
15 determine how to fund the reserves necessary under this section.

16 (2) In developing the funding plan under this subsection, the governing
17 body shall select one of the following methods to achieve the reserve funding under this
18 section:

19 (i) The component method;

20 (ii) The cash flow method;

21 (iii) The baseline funding method;

22 (iv) The threshold cash flow method; or

23 (v) Any other funding method consistent with generally accepted
24 accounting principles.

25 (3) A funding plan developed under this subsection shall prioritize
26 adequate amounts for repair and replacement of common areas of the homeowners
27 association that are necessary for:

28 (i) The health, safety, and well-being of the occupants;

29 (ii) Ensuring structural integrity, such as roofing replacements and
30 maintaining structural systems;

(iii) Essential functioning, such as plumbing, sewer, heating, cooling, and electrical infrastructure; and

3 (iv) Any other essential or critical purpose, as determined by the
4 governing body.

5 (4) Reserves may be used for purposes other than those specified in the
6 funding plan if the funds are repaid to the reserve fund within 5 years after their use.

10 (6) A GOVERNING BODY OF A HOMEOWNERS ASSOCIATION MAY
11 SECURE A LINE OF CREDIT OR LOAN TO FUND THE RESERVES NECESSARY UNDER
12 THIS SECTION BY A VOTE OF LOT OWNERS IN GOOD STANDING HAVING AT LEAST 51%
13 OF THE VOTES IN THE DEVELOPMENT.

14 11B-113.1.

15 (a) Notwithstanding language contained in the governing documents of a
16 homeowners association, the homeowners association [may] **SHALL** provide notice of a
17 meeting or deliver information to a lot owner by electronic transmission if:

24 **[(3)] (2)** An officer or agent of the homeowners association certifies in
25 writing that the homeowners association has provided notice of a meeting or delivered
26 material or information as authorized by the lot owner.

27 (B) NOTICE OF A MEETING DELIVERED BY ELECTRONIC TRANSMISSION
28 SHALL BE GIVEN AT LEAST 14 DAYS BEFORE THE MEETING AND INCLUDE:

29 (1) THE TIME OF THE MEETING:

30 (2) FOR A MEETING HELD IN PERSON, THE LOCATION OF THE
31 MEETING; AND

3 [b] (c) Notice or delivery by electronic transmission shall be considered
4 ineffective if:

5 (1) The homeowners association is unable to deliver two consecutive
6 notices; and

(2) The inability to deliver the electronic transmission becomes known to the person responsible for sending the electronic transmission.

9 [(c)] (D) The inadvertent failure to deliver notice by electronic transmission IN
10 **ACCORDANCE WITH THIS SECTION** does not invalidate any meeting or other action.

11 11B-113.2.

(b) If the governing documents of the homeowners association require voting by secret ballot and the anonymity of voting by electronic transmission cannot be guaranteed, voting by electronic transmission shall be permitted if lot owners have the option of casting anonymous printed ballots.

5 11B-113.6.

18 (4) No specific authorization from lot owners shall be required to hold a
19 meeting electronically.

20 (5) A RECORDING OF A MEETING CONDUCTED BY TELEPHONE
21 CONFERENCE, VIDEO CONFERENCE, OR SIMILAR ELECTRONIC MEANS SHALL BE
22 KEPT AS AN OFFICIAL RECORD OF THE HOMEOWNERS ASSOCIATION IN
23 ACCORDANCE WITH § 11B-112 OF THIS TITLE.

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