

Department of Legislative Services  
Maryland General Assembly  
2026 Session

FISCAL AND POLICY NOTE  
First Reader

House Bill 1132  
Economic Matters

(Delegate Terrasa, *et al.*)

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Condominiums and Homeowners Associations - Resale Contracts - Notice  
Requirements (Keeping Affordable Housing Affordable Act)

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This bill alters the deadline within which specified information required for the resale of a unit within a condominium or a lot within a homeowners association (HOA) must be provided to the purchaser. Among other provisions, the bill also (1) requires the seller to provide notice of changes in mandatory fees and payments and other disclosures; (2) alters the fees a governing body for a condominium or HOA (or its agent) may charge for providing specified information; and (3) alters the time period within which a purchaser of a lot within an HOA may cancel a contract if the purchaser does not receive the required information.

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**Fiscal Summary**

**State Effect:** The bill is not anticipated to materially affect State operations or finances.

**Local Effect:** The bill is not anticipated to materially affect local government operations or finances.

**Small Business Effect:** Minimal.

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**Analysis**

**Bill Summary/Current Law:**

*Certificates and Information for the Resale of Condominium Units*

*In General:* Generally, under current law, a contract for the resale of a unit by a unit owner other than the developer is not enforceable unless the owner provides specified information, including a certificate containing certain disclosures (*e.g.*, a statement of fees payable by unit owners to the council of unit owners, the operating budget of the

condominium, etc.) to the purchaser no later than 15 days prior to closing. The bill (1) alters the deadline from 15 days prior to closing to within 20 calendar days after entering into the contract and (2) adds that the owner must provide a written notice of any change in mandatory fees or payments exceeding 10 percent of the amount previously stated to exist or any other substantial and material change to the required disclosure after it become known to the seller.

The bill makes an identical timing change to statutory provisions that specifically govern the resale of a unit within a condominium containing fewer than seven units.

Under current law, on written request by the unit owner, the council of unit owners must provide within 20 days a certificate containing the information necessary to enable the unit owner to comply with the above requirements. The bill reduces, from 20 days to 10 days, the time within which the council of unit owners must comply.

*Fees:* Under current law, the written request from a unit owner must be accompanied by any reasonable fee charged by the council of unit owners; the fee may be up to \$250 but may not exceed the actual cost to the council of unit owners to provide the information. The bill decreases the limitation on the fee from \$250 to \$100.

Under current law, a council of unit owners is also entitled to a reasonable fee of up to \$50 for delivery of the certificate within 14 days after a written request, or a fee of up to \$100 for delivery of the certificate within 7 days. The bill repeals these provisions and instead limits the fees a council of unit owners may charge to (1) a maximum fee of \$50 for delivery of the certificate within 5 days and (2) a maximum fee of \$50 for a financial update ordered by a settlement agent.

Current law requires DHCD to adjust the maximum fee every two years based on the aggregate two-year increase in the Consumer Price Index for All Urban Consumers for the Washington Metropolitan Area (or a successor index) and post the adjusted maximum fees on its website. The bill repeals this requirement.

#### *Information for the Resale of Lots within a Homeowners Associations*

*In General:* Under current law, a contract for the resale of a lot within an HOA development of any size (or the initial sale of a lot in a development containing 12 or fewer lots) is not enforceable by the seller unless the purchaser is provided with specified information before entering into the contract or within 20 days after doing so. This information includes, among other items, information regarding past and present monthly fees or assessments, the existence of any delinquent charges against the lot, and a copy of the HOA's governing documents.

Under current law, to facilitate these requirements, an HOA, a management agent of an HOA, or any authorized officer or agent of an HOA must provide specified information to a lot owner within 20 days after receiving a written request from the lot owner. The bill decreases this time period to 10 days.

*Fees:* Under current law, the written request from a lot owner must be accompanied by any reasonable fee charged by the HOA; the fee may be up to \$250 but may not exceed the actual cost to the HOA to provide the information. The bill decreases the limitation on the fee from \$250 to \$100.

Under current law, an HOA is also entitled to a reasonable fee of up to \$50 for delivery of the information within 14 days after a written request, or a fee of up to \$100 for delivery of the information within 7 days. The bill repeals these provisions and instead limits the fees that the HOA may charge to (1) a maximum fee of \$50 for delivery of the information within 5 days and (2) a maximum fee of \$50 for a financial update ordered by a settlement agent.

*Termination of Contract:* Under current law, if a purchaser has not received all of the required information within five calendar days or more before entering into the contract (within an HOA community, as specified), the purchaser may cancel the contract – within five calendar days following the eventual receipt of the required specified disclosures – without stating a reason and without liability on the part of the purchaser. The bill extends each of these time periods to seven days and makes conforming changes to notices that must be presented to purchasers.

**Additional Comments:** For additional information on condominiums and HOAs – which, along with cooperative housing corporations, are known as common ownership communities – see the **Appendix – Common Ownership Communities**.

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## Additional Information

**Recent Prior Introductions:** Similar legislation has been introduced within the last three years. See SB 898 and HB 1039 of 2024.

**Designated Cross File:** None.

**Information Source(s):** Office of the Attorney General (Consumer Protection Division); Judiciary (Administrative Office of the Courts); Maryland Department of Labor; Department of Legislative Services

**Fiscal Note History:** First Reader - March 4, 2026  
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## **Appendix – Common Ownership Communities**

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When a person purchases a single-family home, condominium, or an interest in a cooperative housing corporation, the person may also be required to join an association of owners, which is intended to act in the common interests of all the homeowners, condominium unit owners, or cooperative owners in the community. Collectively, these associations are often referred to as common ownership communities (COCs). In Maryland, a growing number of newly constructed or newly converted residences are located in some form of a COC. Because registration of the various COCs is not required statewide, the exact number of COCs in Maryland is unknown. However, the Foundation for Community Association Research estimated that there were 7,200 community associations with an estimated 1.1 million residents in these associations in the State in 2024.

The affairs of a condominium are governed by a council of unit owners, which comprises all unit owners. Among other powers, the council of unit owners has the power to impose assessments on the unit owners to pay common expenses. A council of unit owners may delegate its powers to a board of directors, officers, or a managing agent. Condominiums are governed under Title 11 of the Real Property Article.

Many new housing developments are subject to a homeowner's association (HOA) that is created by a governing document and has the authority to impose mandatory fees on lots in the development in connection with the provision of services or for the benefit of the lots, the lot owners, or the common areas. HOAs are governed under Title 11B of the Real Property Article.

A cooperative housing corporation or "cooperative" is a corporation that owns real property. A resident of a cooperative does not own an individual unit; instead, the person owns an interest in the corporation, which leases the unit to the person for residential use. Cooperatives are governed by the laws in Title 5, Subtitle 6B of the Corporations and Associations Article.

Condominiums and HOAs may be authorized by their governing documents to impose liens on units or lots to collect unpaid assessments or fees. In a cooperative, the governing documents usually provide for the collection of delinquent fees, and evictions for outstanding fees are generally pursued by way of a landlord-tenant action.