

**Department of Legislative Services**  
Maryland General Assembly  
2026 Session

**FISCAL AND POLICY NOTE**  
**First Reader**

House Bill 956 (Delegate Rosenberg)  
Economic Matters

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**Condominiums - Buildings More Than 40 Years Old - Study**

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This bill requires the Department of Housing and Community Development (DHCD) to study buildings in the State that are more than 40 years old and contain a condominium. DHCD must submit its findings to the General Assembly by December 1, 2026. **The bill takes effect June 1, 2026, and terminates June 30, 2027.**

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**Fiscal Summary**

**State Effect:** No effect in FY 2026. General fund expenditures increase by \$75,000 for DHCD in FY 2027 only for contractual services, as discussed below. Revenues are not affected.

**Local Effect:** None.

**Small Business Effect:** None.

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**Analysis**

**Bill Summary:** The study mandated under the bill must determine:

- the number of buildings in the State that are more than 40 years old and contain a condominium;
- the number of condominium units within each building;
- the age of each condominium unit owner in each building;
- the annual income of each condominium unit owner in each building;

- the date on which the most recent reserve study was completed for each building; and
- the difference between the current amount in each reserve fund and the amount that is required to be in each reserve fund for each building described, if any.

**Current Law:** Pursuant to legislation enacted over the last several years, common ownership communities (COCs) in the State, subject to limited exception, are required to conduct reserve studies; statutory provisions specify the time by which initial and updated reserve studies must be completed. COCs are cooperatives, condominiums, and homeowners associations (HOAs).

A reserve study means a study of the reserves required for future major repairs and replacement of the common elements or areas that:

- identifies, using an itemized list, each structural, mechanical, electrical, and plumbing component of the common elements and any other components that (1) are the responsibility of the cooperative, condominium, or HOA to repair and replace and (2) if applicable, meet a minimum cost of repair or replacement, as determined by the governing body of the community, that is reasonably based on the expenses of the community and not a minor expense that is otherwise addressed by the budget of the community;
- states the normal useful life (for cooperatives and condominiums) and the estimated remaining useful life of each identified component;
- states the estimated cost of repair or replacement of each identified component;
- states the estimated annual reserve amount necessary to accomplish any identified future repair or replacement; and
- states quantity or size of each identified component using the appropriate measurement.

An updated reserve study means, for the common elements or areas since the prior reserve study was completed within the previous five years, a study that:

- revises replacement costs, remaining life, and useful life estimates;
- analyzes work performed and amounts spent; and
- identifies whether any maintenance contracts are in place.

Statute includes additional requirements related to reserve studies and updated reserve studies, as well as the responsibilities of COCs to attain the necessary reserves and provide funding in accordance with the studies. This includes requirements for the governing body to develop a funding plan to fund necessary reserves in consultation with a person who satisfies the requirements to conduct a reserve study. In addition to other requirements, the

funding plan must prioritize adequate amounts for the repair and replacement of common elements/areas necessary for:

- the health, safety, and well-being of the occupants;
- ensuring structural integrity, such as roofing replacements and maintaining structural systems;
- essential functioning, such as plumbing, sewer, heating, cooling, and electrical infrastructure; and
- any other essential or critical purpose, as determined by the governing body.

The reserves may be used for purposes other than those specified in the funding plan if the funds are repaid to the reserve fund within five years after their use.

For more information on COCs, see the **Appendix – Common Ownership Communities**.

**State Expenditures:** General fund expenditures for DHCD increase by an estimated \$75,000 in fiscal 2027 only, which reflects the cost of acquiring contractual services to complete the study required under the bill (and assumes a 30-day start-up delay from the bill’s June 1, 2026 effective date). DHCD advises that it does not currently operate any condominium-specific programs and therefore lacks the expertise and staff necessary to complete the bill’s study with existing resources.

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### **Additional Information**

**Recent Prior Introductions:** Similar legislation has not been introduced within the last three years.

**Designated Cross File:** None.

**Information Source(s):** Department of Housing and Community Development;  
Department of Legislative Services

**Fiscal Note History:** First Reader - February 22, 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.