
MARYLAND DEPARTMENT OF LABOR TESTIMONY ON HOUSE BILL 853

TO: House Economic Matters Committee
FROM: Maryland Department of Labor (MD Labor)
DATE: February 26, 2026
BILL: HB 853 – Real Property – Regulation of Common Ownership
Community Managers

MD LABOR POSITION: INFORMATIONAL

House Bill 853 would establish a new State Board of Common Ownership Community Managers within the Maryland Department of Labor to license and regulate individuals and businesses that provide community association management services. The bill requires mandatory licensure, establishes education and training standards, defines prohibited acts, and authorizes disciplinary actions including fines, suspension, and revocation of licenses.

Common ownership communities, including condominiums, cooperatives, and homeowners associations, represent a substantial portion of Maryland's housing stock. Community managers are responsible for financial administration, contract oversight, maintenance coordination, and compliance functions on behalf of these associations. Maryland does not currently license or regulate community managers at the State level.

The bill assigns the Department of Labor responsibility for establishing and staffing the new board, promulgating regulations, developing and administering licensing systems, conducting investigations and enforcement actions, and managing the State Board of Common Ownership Community Managers Fund.

Establishing a new occupational licensing board requires significant administrative development, including system configuration, staffing, and stakeholder outreach. Implementation would require operational planning and funding sufficient to support startup and ongoing activities.

The bill creates a special fund supported by licensing fees. While fee revenue is intended to support board operations, initial startup costs may precede sufficient revenue generation. Revenue projections will depend on the number of licensees

and the fee levels established through regulation. Additionally, enforcement, investigative, and adjudicatory functions may create ongoing operational costs.

The bill grants disciplinary authority, including civil penalties and license sanctions. Clear statutory standards and procedural protections will be important to ensure consistent and effective enforcement.

The proposed regulatory structure may also impact small businesses and community associations through licensing costs, continuing education requirements, and compliance obligations. These costs may ultimately affect association budgets and residents.

The Department respectfully requests the Committee consider the administrative, fiscal, and operational components associated with implementation when considering HB 853.

For questions, please contact Andrew Fulginiti at Andrew.Fulginiti@maryland.gov.