



House Bill 1506 – Condominiums and Homeowners Associations - New Owner Fees - Limitations

Position: Support with Amendments

House Bill 1506 seeks to limit the amount that a condominium or homeowners association may charge a new unit or lot owner as an initial capital contribution or similar fee at closing to no more than the amount of the monthly assessment paid by existing owners.

Maryland REALTORS® appreciates the intent of the legislation and has long supported greater oversight and consumer awareness regarding resale and transfer-related fees imposed by associations. These fees can vary widely and are sometimes not clearly understood by purchasers until late in the transaction. Transparency in these fees is critical so that buyers fully understand the financial obligations associated with purchasing a home in a community association.

However, we recognize that placing a statutory cap on these fees may present challenges, and we believe the policy objective of consumer protection may be more effectively achieved through stronger disclosure requirements. Buyers should be clearly informed of any initial capital contributions or similar charges well before settlement so they can make informed decisions when purchasing a home.

In addition, disclosure requirements should extend beyond fees paid at settlement to include any fees that may be charged during the initial period of ownership, such as within the first year. Providing a full picture of these costs would give buyers a clearer understanding of their financial responsibilities.

For these reasons, Maryland REALTORS® respectfully requests a favorable report on House Bill 1506 with amendments to strengthen transparency and disclosure requirements for association fees.

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