

March 11<sup>th</sup>, 2026

The Honorable Kriselda Valderrama  
Chair, House Economic Matters Committee  
230 Taylor House Office Building  
Annapolis, Maryland 21401

**RE: MBIA Letter of Opposition HB 1577 Common Ownership Communities - Common Areas - Approval of Alterations**

Dear Chair Valderrama,

The Maryland Building Industry Association, representing 100,000 employees of the building industry across the State of Maryland, appreciates the opportunity to participate in the discussion surrounding **HB 1577 Common Ownership Communities - Common Areas - Approval of Alterations**.

This bill would require cooperative housing corporations, condominium boards, and homeowners' associations to obtain approval from a majority of members or owners before making substantial alterations to common areas exceeding \$1,000. This threshold is too low for requiring a majority vote of owners before common-area work can move forward. Requiring a vote for projects over \$1,000 would make it very difficult for HOAs, condominiums, and cooperatives to function and address community needs. There is already a full budget approval process in each of the HOA/Condo/Coop statutes which must be followed. For example, in Section 11B-112.2 of the HOA Act the following limit on expenditures is already there:

**(f)** Except for an expenditure made by the homeowners association because of a condition that, if not corrected, could reasonably result in a threat to the health or safety of the lot owners or a significant risk of damage to the development, any expenditure that would result in an increase in an amount of assessments for the current fiscal year of the homeowners association in excess of 15% of the budgeted amount previously adopted shall be approved by an amendment to the budget adopted at a special meeting for which not less than 10 days' written notice or notice by electronic transmission shall be provided to the lot owners.

HOA and condominium boards are already required to seek homeowner approval when budget increases exceed the 15% threshold. This bill would create a conflicting and highly restrictive requirement by imposing a very low \$1,000 limit, which would be insignificant for medium and large communities with substantial annual budgets.

For these reasons, MBIA respectfully requests the Committee give this measure an unfavorable report with our suggested amendments. Thank you for your consideration.

For more information about this position, please contact Lori Graf at 410-800-7327 or [lgraf@marylandbuilders.org](mailto:lgraf@marylandbuilders.org).

cc: Members of the House Economic Matters Committee