

Maryland Legal Update Series

Presented by:
Jeremy M. Tucker & Nura Rafati

*Community Associations Attorneys
Lerch, Early & Brewer, Chtd.*

Overview

- Insurance – SB 747/HB 469
- Candidate/Proposition Signs – SB 758
- 40+ Year Old Condominiums – HB 956
- Charles County Training – SB 573
- Prince George's County Resolution
CR-005-2026
- BEPS

Insurance – SB 747/HB 469

- Section 11-114 of the Maryland Condominium Act
- If the cause of any damage or destruction originates in a unit, then the owner of the unit is responsible for the least of:
 1. The total cost of the repair or replacement;
 2. The association's insurance deductible amount as specified in its property insurance policy; or
 3. \$25,000.
- Annual written notice of unit owners' insured casualty responsibilities under Section 11-114 of the Act and the association's insurance deductible amount.

- New Section 11-114.3 of the Act requires unit owners to maintain an insurance policy on their units that includes:
 1. coverage for the association's property insurance deductible or a portion of the deductible required under Section 11-114 of the Act;
 2. loss assessment coverage of at least \$25,000; and
 3. dwelling or building property coverage of at least the greater of:
 - (a) \$25,000; or
 - (b) the amount necessary to repair and replace (i) improvements and betterments made by the current unit owner or previous unit owner (other than developer); and (ii) upgrades conveyed to the unit owner that are the unit owner's responsibility to insure under the Bylaws.
- Exception: condominiums composed entirely of similar detached units
- Annually provide proof of insurance or when requested by the condominium association

Effective October 1, 2027

Candidate/Proposition Signs – SB 758

- Display of candidate signs or signs advertising support/defeat of any proposition.
- Cannot restrict these signs/displays for 45 days before the start of early voting for a primary election, general election, or vote on a proposition.
- If no early voting, then 45 days before the primary election, general election, or vote on proposition.

Effective immediately on date enacted

40+ Year Old Condominiums – HB 956

- DHCP will conduct a study on condominium buildings that are 40+ years old:
 - Number of condominium buildings that are more than 40 years old
 - Number of units within each condominium building
 - Average age of unit owners
 - Average annual income of unit owners
 - Date of most recent reserve study
 - Difference between current amount in reserve fund and amount required

Report findings to General Assembly before December 1, 2026.

Went into effect on June 1, 2026; until June 30, 2027

Charles County Training – SB 573

- Board members and officers of condominiums; Board members of HOAs
- Must complete training curriculum within 90 days after first elected or appointed
- If already Board member or officer since October 1, 2025, then complete training within 90 days of subsequent term
- Certificate is valid for 3 years
- If fail to complete:
 - Can be removed from office
 - Vote invalidated

Effective October 1, 2026

Prince George's County Resolution – CR 005 2026

- Must have electronic copies of all executed contracts with third-party vendors online with free access to owners
- Must maintain an online portal where only owners can access electronic copies of contracts and governing documents
- Send electronic versions of executed contracts annually on January 1
- Send electronic versions of modified or new contracts within 30 days
- Majority of Board members, including the President, must reside within the community
- May charge up to 10 cents per page for copies of documents
- If documents are not made available within 48 hours, fines are assessed as liquidated damages
- Mandatory Board meetings once a quarter
- Board members, as a condition of membership, must have training in community governance and emergency preparedness
- Provide notification of depletion of reserve funds with the triggering threshold amount determined by the CCOC

BEPS Litigation Update

Current Status of Pending Federal Litigation

MARYLAND BUILDING INDUSTRY ASSOCIATION, *ET AL.*, v. SERENA COLEMAN MCILWAIN, IN HER OFFICIAL CAPACITY AS SECRETARY OF THE MARYLAND DEPARTMENT OF THE ENVIRONMENT

- Supremacy Clause – The Energy Policy and Conservation Act (“EPCA”) expressly preempts state laws “concerning the energy efficiency [or] energy use” of gas appliances. 42 U.S.C. §§ 6297(c), 6316(b)(2)(A).
- District Court Decision
- Status of Appeal – Court of Appeals 4th Circuit