



2025 CAI Maryland Legislative Session Report

Community Associations Institute (CAI) Maryland Legislative Action Committee (MD LAC) spent the 2025 legislative session advocating on behalf of the [approximately 1,062,000 Marylanders living in 406,100 homes in more than 7,100 community associations across the Old Line State](#). Maryland's 2025 legislative session began on January 8 and adjourned April 7. In the House, MD LAC supported (or supported with amendments) 10 bills, of which 2 have been forwarded to the Governor for signature. Three bills did not have Senate companions. In the Senate, MD LAC supported 7 bills, of which 2 have been forwarded to the Governor for signature. MD LAC opposed 22 bills across both chambers, and 19 of those bills did not pass. MD LAC monitored another 38 bills across both chambers. The LAC monitors a bill when there is no reason to support or oppose, but the position may change if the bill changes in the legislative process.

Of the more than 3,200 bills introduced, MD LAC tracked approximately 70 bills directly or indirectly impacting community associations in Maryland. Unless noted otherwise, the bills that passed have an effective date of October 1, 2025.

Some of the bills that failed have been introduced in years past and may be expected to be re-introduced in the future. Some have been opposed by the MD LAC year after year. Below are highlights from the 2025 session:

HB 4/SB 120 - Restrictions on Use - Solar Collector Systems – Alteration

MD LAC spearheaded and **supported** this bill package, which was the result of a multi-year effort by the LAC to codify compromise solutions to balance the rights of homeowners to install solar panels in certain situations with that of community associations to impose reasonable rules and regulations. CAI's [Conservation, Sustainability, and Green Issues Public Policy](#) advocates for this kind of balanced approach which empowers associations to make decisions to lessen their environmental impact, and allows owners to make certain adjustments to their homes while still being governed by reasonable rules and regulations.

This bill states that an association may restrict solar panels on an individual unit so long as those restrictions do not increase installation costs by over 5% or decrease efficiency by over 10%. Under this legislation, the installation of a solar panel must be performed by a certified professional. Associations may prohibit the installation of solar panels in common areas, and may otherwise create restrictions on the size, number, and location of solar panels in common areas.

Status: **Successfully PASSED. Effective October 1, 2025.**

HB 292/SB 63 - Cooperative Housing Corporations, Condominiums, and Homeowners Associations - Funding of Reserve Accounts and Preparation of Funding Plans

MD LAC spearheaded and **supported** this bill package, which makes necessary adjustments and clarifications to Maryland's existing reserve study and funding mandates and worked with the sponsor on the package's introduction. The bill incorporates the needs of association boards that have been working to meet current reserve fund requirements. The MD LAC successfully led this initial effort in 2022.

HB 292/SB 63 was one of several reserve study packages that was introduced this session. MD LAC worked with the sponsors of the different bill packages to create a compromise that increases the deadline to meet reserve funding requirements from 3 years to 5 years and requires associations to select a funding method consistent with generally accepted accounting principles as part of the funding plan. The bill also includes a mechanism for associations facing financial hardship to defer reserve payments for up to 2 years. The deferral cannot be renewed after the second year. Consistent with [CAI's Reserve Study and Funding Public Policy](#), HB 292/SB 63 maintains a system which requires reserve studies to be conducted based on recognized national standards by qualified individuals at regular intervals, and which provides a path for full reserve funding over a reasonable period of time.

Status: Successfully PASSED. Effective October 1, 2025.

HB 303 - Real Property - Regulation of Common Ownership Community Managers

MD LAC **opposed** this bill, which would have caused increased management costs for associations that would be transferred to individual homeowners. As noted in [CAI's Manager Licensing Public Policy](#), CAI encourages the self-regulation of the community management profession through professional certification and designation programs developed by industry professionals for the profession. Certification programs, unlike state mandated licenses, are created by managers for managers, incorporating real-world skills and scenarios. Additionally, CAI recognizes that state mandated licensing creates new financial barriers to entry into the profession that particularly burden working families, as individuals looking to begin a career and attain economic stability are instead forced to navigate bureaucratic barriers and potentially pay licensing fees that would put them at an increased disadvantage before they can even begin.

Much like similar legislation from past years, HB 303 would have required the state to establish a Common Interest Community Association Board to regulate community association manager state licenses. This bill would also have required community association managers to apply for a license at a cost through the state-run Board. Further, HB 303 would have instituted a registration for all Maryland community associations with an associated fee paid for by each community to help fund the manager licensing board.

A virtual advocacy campaign was sent to advocates in Maryland, urging them to email the Senate Judicial Proceedings Committee to oppose the bill. A total of 171 individuals sent a total of 1535 messages to the committee members.

Status: Successfully DIED in Senate Committee.

HB 306/SB 866 - Common Ownership Communities - Ombudsman Unit, Governing Document Database, and Local Commissions

MD LAC **opposed** this bill package, given the potential for unnecessary state interference in association matters. As noted in CAI's [Alternative Dispute Resolution \(ADR\) Public Policy](#), CAI encourages

community association board members to design ADR procedures most appropriate for the community's needs in resolving disputes, subject to state law, including any provisions that may be required within the community's governing documents.

Much like legislation from past years, HB 306/SB 866 would have established a statewide community association ombudsman with the authority to intervene directly in association matters and required associations pay annual fees and register their governing documents in a state database.

Status: Successfully DIED in Committee.

HB 557 - Common Ownership Communities - Resident Bill of Rights

MD LAC **opposed** this Bill based on the possible confusion and ambiguity that would arise between a community's governing documents which already sets the owners' rights, and this "bill of rights."

Delegate Marvin Holmes re-introduced legislation to create a bill of rights for residential owners in community associations. If enacted, the bill would have created certain rights, including the right to (1) have a copy of the annual budget delivered to the residential owner; (2) be represented by the community association in certain situations; (3) utilize common areas at a reasonable cost; and (4) fair treatment for repayment of debt.

Status: Successfully DIED in Committee.

SB108 Multifamily Dwellings - Smoking Policies

MD LAC **opposed** this Bill that was introduced for the 3rd time. The bill would have required the governing body of a condominium or cooperative housing corporation to develop a smoking policy that must be at least as stringent as the applicable state and local laws regarding smoking if the property is a "multifamily dwelling." The policy must have stated the locations where smoking is authorized and prohibited on the property, any conditions on the ability to smoke in authorized areas, the process to file a complaint against a violator of the policy, and any penalties or fines for violating the policy.

Status: Successfully DIED in Committee.

HB 1541 Condominiums - Mandatory Insurance Coverage

Maryland LAC **supported** this bill, introduced late in the 2025 legislative session but intended as a companion bill to HB449/SB446, HB1541, which would have required condominium unit owners in Maryland to carry certain coverages within an HO-6/condominium unit owners' policy also failed to pass. The bill, originally drafted to require condominium owners to carry \$25,000 of Dwelling Coverage and \$25,000 of Loss Assessment (either of which can fund an owner's deductible responsibility depending on the HO-6 carrier's guidelines), as well as \$500,000 of personal liability, adequate personal property, and adequate additional living expense/loss of use coverage, moved through the House and received edits at crossover in the Senate (reducing required coverage down to \$25,000 of Dwelling and \$25,000 of loss assessment coverage), but stalled in the waning days of the session.

Maryland LAC was advised by our lobbyist that the Senate was wary of moving through any bills (not just ours) at the end of the session that they felt were controversial or included any sort of fiscal note that could impact constituents. For both insurance bills, the combination of increased deductible responsibility and a requirement for owners to carry their own insurance was not something they

wanted to consider at this time, particularly given the federal government's drastic cuts that were coinciding at the end of the session.

Maryland LAC will be reviewing these issues again in the future, with the possibility of also resolving the assignment of per-unit deductibles, which are being used more frequently to address loss frequency and severity (typically from water). While MD LAC understands the reservations the legislature may have in assigning additional expense to Maryland's condominium owners, particularly in an uncertain economic climate, absent an ability to shift greater deductible responsibility to owners who have direct control of in-unit components and conditions (a deductible, again, that can be insured under the HO-6 policy), associations will need to increase its reserves, raise assessments, or special assess owners to pay for these higher deductibles. Since owners will continue to be held responsible for only the first \$10,000 of any property deductible, the Association will need to continue to subsidize the balance of a higher deductible (which then truly is an out-of-pocket expense to all owners), whereas increased deductible responsibility funded by HO-6 coverage is not.

A virtual advocacy campaign was sent to advocates in Maryland, encouraging them to email the Senate Judicial Proceedings Committee to urge support for the bill. A total of 78 individuals sent a total of 858 messages to the committee members.

Status: Unsuccessfully DIED in Senate.

HB 785 Common Ownership Communities and Zoning Authorities - Operation of Family Child Care Homes – Limitations

MD LAC **opposed** this bill, given the infringement on the ability of associations to reasonably regulate home-based childcare, consistent with CAI's [Residential Childcare Facility Public Policy](#). MD LAC felt that existing state law already strikes a balance between the right of communities to reasonably regulate home-based childcare and the need for increased childcare access in the state.

This legislation prohibits cooperative housing corporations, condominium associations, and homeowners associations from restricting or limiting the operation of family childcare homes, including large family childcare homes, below the number authorized by the State Department of Education. Local jurisdictions are also barred from setting restrictions below this threshold. Provisions ensure that these childcare facilities are considered residential activities and permit their operation. It also allows community associations to charge fees related to insurance and common area use, with specific conditions, and mandates liability insurance for family childcare providers.

While MD LAC is sensitive to Maryland's current childcare needs, by their governing documents, community associations have the right to regulate certain activities within their communities which may otherwise interfere with or disrupt the quiet enjoyment and day-to-day living for community residents. It remains to be seen if our Maryland community associations will be able to exert any kind of control over unlicensed or uninsured childcare facilities and our communities are encouraged to monitor these subject facilities for compliance, and for the empirical data that will be needed to support potential future changes to the law.

Status: Unsuccessfully PASSED. Effective October 1, 2025.

HB 449/SB 446 Condominiums - Property Insurance Deductibles - Unit Owner Responsibility

MD LAC **supported** this bill. Despite effective written and oral testimony from MD LAC, as well as strong support from management companies, condominium board members, and homeowners, HB449/SB446, which would have increased unit owner deductible responsibility from the current \$10,000 cap to \$25,000 when a loss originates in a unit (from some component that services only that unit or some condition originating in the unit) failed to pass during the 2025 legislative session. Though Maryland passed increased deductible responsibility just five years ago in 2020 (from the \$5,000 cap passed in 2009 to \$10,000), the insurance industry landscape has changed dramatically in the last five years with increased catastrophic losses (hurricanes, tornados, and wildfires) that on average are costing the industry \$101 billion each year. The collapse of Champlain Towers in Surfside, FL, an ever-aging infrastructure, increased costs of repair/replacement (which are likely to remain high with the current and coming tariffs), and reduced carrier return on investment, which helps to fund carrier and reinsurance carrier reserves, are also significantly impacting carrier capacity and appetite.

If we think of insurance as the transfer of risk in exchange for a premium, the application of higher deductibles is the carriers' way of transferring back some of that risk to not only discourage smaller claims, but also encourage proactive, regular maintenance to avoid otherwise preventable loss. As the market for condominium association insurance narrows (fewer carriers and those remaining becoming much more selective), insurance carriers are applying increased deductibles of \$25,000, \$50,000 or higher in an effort to stem the costs of insurance and reduce smaller claims to remain viable.

Because of that, Maryland's responsibility threshold of \$10,000 is no longer adequate. Presently, when a loss originates in a unit, the owner pays the first \$10,000, but if the Association's Master Policy is subject to a higher deductible, then the Association pays the balance of that higher deductible. Maryland LAC argued that increased deductible responsibility of \$25,000 is not only insurable under a condominium unit owner's HO-6 policy (insured either through the Dwelling limit of that policy or through the HO-6 policy's loss assessment coverage form) but will actually alleviate the burden of an out-of-pocket expense to owners. Maryland LAC testified that when an Association carries a higher deductible and cannot pass through that higher deductible or some increased portion of it to the owner in whose unit a loss originates, the Association must fund the balance either through increased assessments, reserves, or by special assessment – none of which is insurable under an owner's HO-6 policy.

A virtual advocacy campaign was sent out, urging Marylanders to email their legislators on the Senate Judicial Proceedings Committee and the House Environment and Transportation Committee to urge their support for this bill package. Overall, a total of 108 individuals sent a total of 120 messages to 24 legislators across both committees.

Status: SB 446 unsuccessfully DIED in Committee. HB 449 unsuccessfully DIED in Senate Committee.

SB758 Condominiums and Homeowners Associations – Elections, Financial Statements, and Enforcement

MD LAC **opposed** this bill, arguing it imposes unnecessary burdens on associations by mandating specific election procedures and certifying unit owner compliance with the statute.

Many provisions in this bill are already covered by existing laws and association documents. Some governing documents have very well-defined election procedures that provide more transparency and owner oversight than outlined in this proposed statute.

CAI's [Government Regulation of Community Associations Public Policy](#) opposes laws and regulations that nullify the association's governing documents.

This legislation conflicts with Federal and State statute naming management companies as third parties. It specifically states that management companies are NOT independent parties. Many full-service management agreements include provisions for conducting elections and/or provide software to do so. Management is also required to maintain association records, including election-related materials. These requirements increase costs by necessitating third-party hires or additional administrative expenses due to increased bureaucracy.

MDLAC will propose clarification of the "independent party" conflict, although our priorities are yet to be determined.

Status: Unsuccessfully PASSED. Effective October 1, 2025.

SB891/HB1466 - Accessory Dwelling Units

MD LAC **opposed** this bill package, given the infringement on the ability of associations to reasonably regulate accessory dwelling units through architectural control measures, consistent with CAI's Accessory Dwelling Unit Public Policy. The Bill package establishes a state policy to promote and encourage the creation of accessory dwelling units (ADUs) on land with a single-family detached dwelling unit as the primary dwelling unit, to help meet housing needs. The bill also requires adoption of local laws authorizing ADUs and prohibits a restriction on use of a property from unreasonably limiting the ability of an owner to develop or offer for rent an ADU. Additionally, the bill authorizes homeowners' associations to treat an ADU as a separate lot for purposes of voting and assessments.

While MD LAC is sensitive to Maryland's current housing shortage, by their governing documents community associations have the right to regulate the size and scope of buildings/improvements within their communities. It remains to be seen if our Maryland community associations will encounter any governance, assessment or infrastructure problems as a result of more buildings and more residents and our communities are encouraged to monitor these subject ADUs for the empirical data that will be needed to suggest potential future changes to the law.

Status: Unsuccessfully PASSED. Effective October 1, 2025.

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