

Department of Legislative Services  
Maryland General Assembly  
2026 Session

FISCAL AND POLICY NOTE  
First Reader

House Bill 1577 (Delegate Ross)  
Economic Matters

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Common Ownership Communities - Common Areas - Approval of Alterations

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This bill, subject to limited exceptions, prohibits the governing body of a cooperative housing corporation, condominium, or homeowners association (HOA) (collectively known as common ownership communities (COCs)) from renovating, expanding, upgrading, or otherwise substantially altering a common element/area without approval of a majority of the COC's members or owners. For condominiums and HOAs, approval must be obtained from a majority of owners *in good standing*. Approval may be obtained by any means to which all members or owners have access. The bill's restrictions do not apply to (1) ordinary maintenance or the necessary repair or replacement of a common element or common area or (2) any maintenance, repair, or replacement request that does not exceed \$1,000.

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Fiscal Summary

**State Effect:** The bill does not affect State operations or finances.

**Local Effect:** The bill does not affect local government operations or finances.

**Small Business Effect:** Minimal.

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Analysis

**Current Law:** Generally State statute does not expressly govern the method by which substantial alterations of common elements/areas within a COC are to be approved. However, current law does include related provisions. For example, statute addresses a governing body's responsibility to identify and *fund* reserves necessary to repair or replace common elements/areas. Specifically, pursuant to legislation enacted over the last

several years, COCs in the State, subject to limited exception, are required to conduct reserve studies; statutory provisions specify the time by which initial and updated reserve studies must be completed. A requirement of the reserve study is to identify, using an itemized list, each structural, mechanical, electrical, and plumbing component of the common element/area and any other components that (1) are the responsibility of the cooperative, condominium, or HOA to repair and replace and (2) if applicable, meet a minimum cost of repair or replacement, as determined by the governing body of the community, that is reasonably based on the expenses of the community and not a minor expense that is otherwise addressed by the budget of the community. Broadly, statute also (1) gives authority to COCs to impose assessments/fees for common expenses and (2) includes provisions related to the approval of an annual budget for COCs.

For more information on COCs, see the **Appendix – Common Ownership Communities**.

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### **Additional Information**

**Recent Prior Introductions:** Similar legislation has not been introduced within the last three years.

**Designated Cross File:** None.

**Information Source(s):** Office of the Attorney General (Consumer Protection Division); Department of Legislative Services

**Fiscal Note History:** First Reader - March 12, 2026  
caw/jkb

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## **Appendix – Common Ownership Communities**

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When a person purchases a single-family home, condominium, or an interest in a cooperative housing corporation, the person may also be required to join an association of owners, which is intended to act in the common interests of all the homeowners, condominium unit owners, or cooperative owners in the community. Collectively, these associations are often referred to as common ownership communities (COCs). In Maryland, a growing number of newly constructed or newly converted residences are located in some form of a COC. Because registration of the various COCs is not required statewide, the exact number of COCs in Maryland is unknown. However, the Foundation for Community Association Research estimated that there were 7,200 community associations with an estimated 1.1 million residents in these associations in the State in 2024.

The affairs of a condominium are governed by a council of unit owners, which comprises all unit owners. Among other powers, the council of unit owners has the power to impose assessments on the unit owners to pay common expenses. A council of unit owners may delegate its powers to a board of directors, officers, or a managing agent. Condominiums are governed under Title 11 of the Real Property Article.

Many new housing developments are subject to a homeowner's association (HOA) that is created by a governing document and has the authority to impose mandatory fees on lots in the development in connection with the provision of services or for the benefit of the lots, the lot owners, or the common areas. HOAs are governed under Title 11B of the Real Property Article.

A cooperative housing corporation or "cooperative" is a corporation that owns real property. A resident of a cooperative does not own an individual unit; instead, the person owns an interest in the corporation, which leases the unit to the person for residential use. Cooperatives are governed by the laws in Title 5, Subtitle 6B of the Corporations and Associations Article.

Condominiums and HOAs may be authorized by their governing documents to impose liens on units or lots to collect unpaid assessments or fees. In a cooperative, the governing documents usually provide for the collection of delinquent fees, and evictions for outstanding fees are generally pursued by way of a landlord-tenant action.