

CITIZEN-DRAFTED BILL CB-609

Requested: September 7, 2025

Suggested assignment to: Economic Matters

AN ACT concerning

Common ownership – Conflicts of interest

FOR the purpose of consumer protection from insular procurement or monopolies, incentives to fall into disrepair while providing and profiting from insurance schemes, resources paid for by homeowners but diverted from their use or benefit for the profit of others connected to directors and managers, improper use of funds other than embezzlement, refusal to recognize authority of the council of unit owners, and other predatory abuses.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.

Bold indicates matters for general awareness, usually existing law that provides key context for the bill.

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

Article – Real Property

11-108

(e) TO THE EXTENT THAT THE GOVERNING BODY ALLOWS THE USE OF CONDOMINIUM FACILITIES AND SERVICES OF THE COMMON ELEMENTS BY PERSONS WHO ARE NOT OWNERS OR RENTERS OF THE CONDOMINIUM, THE CORRESPONDING FEES FOR USE OF FACILITIES AND SERVICES OF THE COMMON ELEMENTS BY THOSE PERSONS SHALL BE AT LEAST DOUBLE THE REASONABLE AMOUNT CHARGED TO AN OWNER, RENTER, OR LEASEHOLD ESTATE OF THE CONDOMINIUM.

11-111

(a)(1) SUBJECT TO THE POWER OF THE COUNCIL OF UNIT OWNERS TO ADOPT OR RESCIND RULES UNDER SECTION 11-109(c)(15) OF THIS TITLE, [The council of unit owners or] the body delegated in the bylaws of a condominium to carry out the responsibilities of the council of unit owners may adopt OR RESCIND rules for the condominium if: ...

11-114

(j) A MANAGEMENT COMPANY SHALL NOT PROVIDE INSURANCE TO AN ASSOCIATION IT MANAGES.

11-133

(c) ANY ORAL OR WRITTEN SOLICITATION FOR A CONTRACTOR THAT WILL REQUIRE AN APPROVAL VOTE FROM THE GOVERNING BODY SHALL ALSO BE COMMUNICATED TO UNIT OWNERS WHO HAVE PROVIDED A WRITTEN REQUEST FOR SOLICITATION NOTICES. THE MANAGEMENT COMPANY AND BOARD MUST ACCEPT FOR CONSIDERATION ANY PROPOSAL FROM A QUALIFIED OR LICENSED CONTRACTOR THAT MEETS LAWFUL CRITERIA SPECIFICIED IN THE SOLICITATION. CONTRACTORS RECOMMENDED BY UNIT OWNERS SHALL NOT BE EXCLUDED FROM CONSIDERATION. ANY CONFLICT OF INTEREST SHALL BE DISCLOSED BY THE UNIT OWNER, BOARD MEMBER, CONTRACTOR, STAFF, OR MANAGEMENT COMPANY.

(d) BEFORE THE AWARD OF A NEW CONTRACT, CHANGE ORDER, OR CONTRACT RENEWAL IN EXCESS OF \$10,000, OTHER THAN EXPENSES FOR REASONABLE HEALTH OR SAFETY ISSUES OR PREVENTING SIGNIFICANT RISK OF DAMAGE, A MANAGEMENT COMPANY SHALL PROVIDE TO THE BOARD OF DIRECTORS A WRITTEN COPY OF ALL UNIQUE SOLICITATION MATERIAL THAT WAS USED TO SOLICIT BIDS OR PRICE QUOTES. EACH DIRECTOR SHALL HAVE THE AUTHORITY TO INVESTIGATE AND VERIFY THE SOLICITATION MATERIAL DIRECTLY WITH THE SOLICITED VENDOR.

(e) AN AGREEMENT FOR TRASH COLLECTION SHALL NOT REQUIRE EXCLUSIVE USE OF A SINGLE SERVICE PROVIDER.

11B-112.2

(g) The adoption of a budget does not impair the authority of the homeowners association to obligate the homeowners association for expenditures for any purpose consistent with any provision of this title.

(h) TO THE EXTENT THAT THE GOVERNING BODY ALLOWS THE USE OF COMMUNITY FACILITIES AND SERVICES OF THE COMMON ELEMENTS BY PERSONS WHO ARE NOT OWNERS OR RENTERS OF THE COMMON ELEMENTS, THE CORRESPONDING FEES FOR USE OF FACILITIES AND SERVICES OF THE COMMON ELEMENTS BY THOSE PERSONS SHALL BE AT LEAST DOUBLE THE REASONABLE AMOUNT CHARGED TO AN OWNER, RENTER, OR LEASEHOLD ESTATE IN THE COMMUNITY.

11B-111.6

(g) A MANAGEMENT COMPANY SHALL NOT PROVIDE INSURANCE TO AN ASSOCIATION IT MANAGES.

§14-901.

(d) (1) "Service agreement" means an agreement where a service provider agrees to provide an individual services for:

(i) The maintenance of residential property that the individual owns; or

(ii) The purchase or sale of residential property.

(2) "Service agreement" includes any memorandum, notice, agreement, or similar document that is used by a service provider to cause a service agreement to be recorded.

(e) (1) “Service provider” means a person OR ENTITY that provides services to an individual OR ENTITY through a service agreement for:

(i) The MANAGEMENT OR maintenance of residential property that the individual owns IN FEE SIMPLE, IN COMMON, OR OTHERWISE; or

(ii) The purchase or sale of residential property.

(2) “Service provider” includes any person acting as an agent or designee of a service provider.

§14–902.

(a) This subtitle applies only to a service agreement entered into OR RENEWED on or after June 1, 2023.

(b) This subtitle does not apply to:

(1) A home warranty or similar product that covers the cost of maintenance of a major home system such as plumbing, electrical, or heating, ventilating, and air–conditioning;

(2) An insurance contract THAT IS NOT ALSO A COMMUNITY MANAGEMENT CONTRACT;

(3) An option or right of refusal to purchase residential property;

(4) A declaration created in the formation of a common interest community, as defined in § 1–801 of the Environment Article;

(5) A maintenance or repair agreement entered into by a homeowners association, as defined in § 11B–101 of this article;

(6) A mortgage loan or a commitment to make or receive a mortgage loan;

(7) An agreement relating to the sale or rental of personal property;

(8) Water, sewer, electrical, telephone, cable, or other regulated utility providers; or

(9) A mechanics lien, as established under Title 9 of this article.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2026.