

# HOUSE BILL 1221

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By: **Delegate Feldmark**

Introduced and read first time: February 7, 2025

Assigned to: Environment and Transportation

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## A BILL ENTITLED

1 AN ACT concerning

2 **Common Ownership Communities – Online Publication of Resale Disclosures**

3 FOR the purpose of requiring the governing bodies of certain common ownership  
4 communities or a certain property management company to maintain certain  
5 information on their websites in a certain format and at no cost; and generally  
6 relating to cooperative housing corporations, condominiums, and homeowners  
7 associations.

8 BY repealing and reenacting, with amendments,  
9 Article – Corporations and Associations  
10 Section 5–6B–02  
11 Annotated Code of Maryland  
12 (2014 Replacement Volume and 2024 Supplement)

13 BY repealing and reenacting, without amendments,  
14 Article – Real Property  
15 Section 11–135(a) and (i) and 11B–106(b)  
16 Annotated Code of Maryland  
17 (2023 Replacement Volume and 2024 Supplement)

18 BY adding to  
19 Article – Real Property  
20 Section 11–135(j) and 11B–111.11  
21 Annotated Code of Maryland  
22 (2023 Replacement Volume and 2024 Supplement)

23 BY repealing and reenacting, with amendments,  
24 Article – Real Property  
25 Section 11–135(j)  
26 Annotated Code of Maryland

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



(2023 Replacement Volume and 2024 Supplement)

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

**Article – Corporations and Associations**

5–6B–02.

(a) A contract for the initial sale of a cooperative interest to a member of the public for residential use is not enforceable against the initial purchaser unless:

(1) The initial purchaser is given at or before the time a contract is entered into between the developer and the initial purchaser, a public offering statement containing all of the information required by this section; and

(2) The contract contains, in conspicuous type, a notice of the initial purchaser's right to receive a public offering statement and the rescission rights provided under this title.

(b) The public offering statement shall contain at least the following:

(1) The name and address of the developer;

(2) The following statements:

(i) A boundary survey or metes-and-bounds description of the cooperative project together with a location survey of all improvements, including recreational facilities, streets, and roads, and a drawing of any proposed improvements not yet constructed within the cooperative project;

(ii) A statement of the form of ownership of all real and personal property which is intended by the developer to be owned or leased by the cooperative housing corporation;

(iii) A statement as to whether streets abutting the cooperative project are to be dedicated to public use or maintained by the cooperative housing corporation;

(iv) A statement of the projected completion dates for proposed improvements and, in the case of a contract for the initial sale of a cooperative interest in a cooperative housing corporation which has not yet been formed, a statement of the projected date of formation;

(v) A statement whether and under what conditions units may be sublet or cooperative interests sold by members;

(vi) A description of the voting and other rights in the cooperative housing corporation which attach to a cooperative interest as such rights are described in § 2–105 of this article;

(vii) An opinion, based on stated factual assumptions, as to whether the members under current laws will be entitled to a pass-through of deductions from federal and State income taxes for payments made by the cooperative housing corporation for real estate taxes and interest on the property of the cooperative housing corporation;

(viii) A statement of the rights and responsibilities of members regarding the blanket encumbrance and a statement as to the nature and extent of any protection to the initial purchaser if the developer or cooperative housing corporation defaults on such a blanket encumbrance after transfer or a statement that there is no such protection;

(ix) A statement that a deposit made in connection with the purchase of a cooperative interest will be held in an escrow account in the same manner as provided in § 10–301 of the Real Property Article in the case of sales of new, uncompleted single family units;

(x) A statement of any fees required by the cooperative housing corporation in connection with the transfer of membership or issuance of a proprietary lease;

(xi) A statement of the common charges, known or anticipated, however denominated, which may be levied against a member;

(xii) A statement of the cooperative interest associated with each unit and the underlying debt responsibility associated with each unit on a pro rata basis, if applicable;

(xiii) A statement as to whether the cooperative housing corporation has or will obtain insurance coverage for casualty, property damage, and public liability and if so, in what amounts;

(xiv) In the case of a cooperative housing corporation containing buildings substantially completed more than 5 years prior to the date of the notice required under § 5–6B–05 of this subtitle, a statement of the physical condition and state of repair of the major structural, mechanical, electrical, and plumbing components of the improvements, to the extent reasonably ascertainable, the estimated costs of repairs for which a present need is disclosed in the statement, and a statement of repairs which the developer intends to make. The developer is entitled to rely on the reports of architects or engineers authorized to practice their profession in this State; and

(xv) A statement of all warranties and disclaimers being made to the initial purchaser and to the cooperative housing corporation by the developer;

(3) Copies of the proposed or final:

(i) Contract of sale;

(ii) Membership certificate;

(iii) Proprietary lease;

(iv) Articles of incorporation;

(v) Bylaws;

(vi) Rules, if any;

(vii) Floor plans;

(viii) Blanket encumbrances;

(ix) Member loan documents and any contract, note, mortgage given to the developer, or other instrument to be entered into with the developer as part of the initial sale;

(x) Any lease other than the proprietary lease to a third party of real or personal property to which the cooperative housing corporation is a party; and

(xi) Any management contract, employment contract, or other contract excluding contracts of insurance affecting the use, maintenance or access to all or part of the real or personal property of the cooperative housing corporation;

(4) A copy of the projected annual operating budget for the cooperative housing corporation including, where applicable:

(i) Insurance;

(ii) Administration;

(iii) Maintenance;

(iv) Utilities;

(v) General expenses;

(vi) Reserves;

(vii) Capital items;

(viii) Debt service; and

(ix) Taxes; and

(5) If applicable, a copy of the notice and materials required by § 5–6B–05 of this subtitle, and a copy of the financial standards required to be established under § 5–6B–06(a)(2)(i) of this subtitle.

(c) Statements required in this section may be summarized or produced in a collection of documents which effectively conveys the required information to the initial purchaser.

**(D) (1) THE GOVERNING BODY OF A COOPERATIVE HOUSING CORPORATION SHALL MAINTAIN ON THE WEBSITE OF THE COOPERATIVE HOUSING CORPORATION THE INFORMATION REQUIRED UNDER SUBSECTION (B) OF THIS SECTION, NOT INCLUDING INFORMATION PERTAINING TO AN INDIVIDUAL UNIT.**

**(2) THE INFORMATION REQUIRED UNDER PARAGRAPH (1) OF THIS SUBSECTION SHALL BE PROVIDED IN A DOWNLOADABLE FORMAT AND AT NO COST.**

**[(d)] (E)** The requirements of this section do not apply to the sale of any cooperative interest in a unit which is to be used and occupied for nonresidential purposes.

### **Article – Real Property**

11–135.

(a) Except as provided in subsection (b) of this section, a contract for the resale of a unit by a unit owner other than a developer is not enforceable unless the contract of sale contains in conspicuous type a notice in the form specified in subsection (g)(1) of this section, and the unit owner furnishes to the purchaser not later than 15 days prior to closing:

(1) A copy of the declaration (other than the plats);

(2) The bylaws;

(3) The rules or regulations of the condominium;

(4) A certificate containing:

(i) A statement disclosing the effect on the proposed conveyance of any right of first refusal or other restraint on the free alienability of the unit other than any restraint created by the unit owner;

(ii) A statement setting forth the amount of the common expense assessment and any unpaid common expense or special assessment adopted by the council of unit owners that is due and payable from the selling unit owner;

(iii) A statement of any other fees payable by the unit owners to the council of unit owners;

(iv) A statement of any capital expenditures approved by the council of unit owners planned at the time of the conveyance which are not reflected in the current operating budget disclosed under item (vi) of this item;

(v) The most recent regularly prepared balance sheet and income expense statement, if any, of the condominium;

(vi) The current operating budget of the condominium including the current reserve study report or a summary of the report, a statement of the status and amount of any reserve or replacement fund, or a statement that there is no reserve fund;

(vii) A statement of any unsatisfied judgments or pending lawsuits to which the council of unit owners is a party, excluding assessment collection suits;

(viii) A statement generally describing any insurance policies provided for the benefit of unit owners, a notice that copies of the policies are available for inspection, stating the location at which the copies are available, and a notice that the terms of the policy prevail over the description;

(ix) A statement as to whether the council of unit owners has actual knowledge of any violation of the health or building codes with respect to the common elements of the condominium;

(x) A description of any recreational or other facilities which are to be used by the unit owners or maintained by them or the council of unit owners, and a statement as to whether or not they are to be a part of the common elements; and

(xi) 1. A statement as to whether the council of unit owners has entered into any agreement that settles or releases the council of unit owners' claims related to common element warranties under § 11–131 of this title; and

2. A statement as to whether the board of directors has disclosed to the council of unit owners in accordance with § 11–134.1(c)(2) of this title, the board's intention to enter into an agreement for the purpose of settling a disputed common element warranty claim under § 11–131 of this title;

(5) A statement by the unit owner as to whether the unit owner has knowledge:

1 (i) That any alteration to the unit or to the limited common  
2 elements assigned to the unit violates any provision of the declaration, bylaws, or rules and  
3 regulations;

4 (ii) Of any violation of the health or building codes with respect to  
5 the unit or the limited common elements assigned to the unit;

6 (iii) That the unit is subject to an extended lease under § 11–137 of  
7 this title or under local law, and if so, a copy of the lease must be provided; and

8 (iv) Of the presence of asbestos in the unit, including a description of  
9 the location of the asbestos, and whether abatement has been performed in the unit during  
10 the occupancy of the owner; and

11 (6) A written notice of the unit owner's responsibility for the council of unit  
12 owners' property insurance deductible and the amount of the deductible.

13 (i) This section does not apply to the sale of any unit which is to be used and  
14 occupied for nonresidential purposes.

15 **(J) (1) THE GOVERNING BODY OF A CONDOMINIUM SHALL MAINTAIN ON**  
16 **THE CONDOMINIUM'S WEBSITE THE INFORMATION REQUIRED UNDER SUBSECTION**  
17 **(A) OF THIS SECTION, NOT INCLUDING INFORMATION PERTAINING TO AN**  
18 **INDIVIDUAL UNIT.**

19 **(2) THE INFORMATION REQUIRED UNDER PARAGRAPH (1) OF THIS**  
20 **SUBSECTION SHALL BE PROVIDED IN A DOWNLOADABLE FORMAT AT NO COST.**

21 **[ (j) ] (K)** Subsections (a), (b), (c), (d), (e), (f), **[and] (g), AND (J)** of this section do  
22 not apply to a sale of a unit in an action to foreclose a mortgage or deed of trust.

23 11B–106.

24 (b) The vendor shall provide the purchaser the following information in writing:

25 (1) A statement as to whether the lot is located within a development;

26 (2) (i) The current monthly fees or assessments imposed by the  
27 homeowners association upon the lot;

28 (ii) The total amount of fees, assessments, and other charges  
29 imposed by the homeowners association upon the lot during the prior fiscal year of the  
30 homeowners association; and

31 (iii) A statement of whether any of the fees, assessments, or other  
32 charges against the lot are delinquent;

(3) The name, address, and telephone number of the management agent of the homeowners association, or other officer or agent authorized by the homeowners association to provide to members of the public, information regarding the homeowners association and the development, or a statement that no agent or officer is presently so authorized by the homeowners association;

(4) A statement as to whether the owner has actual knowledge of:

(i) The existence of any unsatisfied judgments or pending lawsuits against the homeowners association; and

(ii) Any pending claims, covenant violations actions, or notices of default against the lot; and

(5) A copy of:

(i) The articles of incorporation, the declaration, and all recorded covenants and restrictions of the primary development, and of other related developments to the extent reasonably available, to which the purchaser shall become obligated on becoming an owner of the lot, including a statement that these obligations are enforceable against an owner's tenants, if applicable; and

(ii) The bylaws and rules of the primary development, and of other related developments to the extent reasonably available, to which the purchaser shall become obligated on becoming an owner of the lot, including a statement that these obligations are enforceable against an owner and the owner's tenants, if applicable.

**11B-111.11.**

**(A) IN THIS SECTION, "PROPERTY MANAGEMENT COMPANY" MEANS AN ENTITY ESTABLISHED TO GOVERN A PROPERTY SUBJECT TO AN INSTRUMENT THAT IMPOSES ON LOTS OR ON THE OWNERS OR OCCUPANTS OF LOTS ANY MANDATORY FEE IN CONNECTION WITH THE PROVISION OF SERVICES OR OTHERWISE FOR THE BENEFIT OF SOME OR ALL OF THE LOTS.**

**(B) (1) THE GOVERNING BODY OF A HOMEOWNERS ASSOCIATION OR A PROPERTY MANAGEMENT COMPANY FOR A HOMEOWNERS ASSOCIATION SHALL MAINTAIN ON THE WEBSITE OF THE HOMEOWNERS ASSOCIATION OR PROPERTY MANAGEMENT COMPANY ALL INFORMATION PERTAINING TO THE HOMEOWNERS ASSOCIATION REQUIRED UNDER § 11B-106(B) OF THIS TITLE, NOT INCLUDING INFORMATION PERTAINING TO AN INDIVIDUAL LOT.**

**(2) THE INFORMATION REQUIRED UNDER PARAGRAPH (1) OF THIS SUBSECTION SHALL BE PROVIDED IN A DOWNLOADABLE FORMAT AT NO COST.**



1           SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
2   October 1, 2025.