## BOARD BRIEFING

# 2026 D.C. Legislative Update

A look at bills moving through the D.C. Council that could affect condominiums, cooperatives, and homeowners associations.

Prepared for board members and community leaders. For informational purposes only — this summary does not constitute legal advice.

## AT A GLANCE

A snapshot of legislation moving through the D.C. Council that could affect condominiums, cooperatives, and homeowners associations.

### OVERALL TREND

D.C. is updating older laws, adding new regulation inside residential communities, and shifting more responsibility onto individual owners.

### HOW D.C. LEGISLATES

The Council operates on a continuous, year-round two-year cycle rather than a fixed annual session, so bills can move on a rolling basis at any time.

### BIGGEST FINANCIAL CHANGE

A proposed bill would let associations pass along up to $25,000 of an insurance deductible to the unit where a loss originated.

### COMPLIANCE DEADLINE PRESSURE

Buildings 10,000 sq ft and up already face energy performance requirements, with penalties possible if they fall short.

## ONGOING PRIORITIES

Beyond new bills, three ongoing issues deserve continued board attention.

### Energy Performance Standards (BEPS) — ACT NOW

Buildings of 10,000 square feet or more must already comply with citywide energy performance standards. Older buildings that fall short may face penalties, so boards should treat this as an immediate compliance and budgeting priority.

### Structural Defect Warranty Claims

Associations may already pursue warranty claims for structural defects in new or converted condominiums, including an administrative claim against a developer. A District Warranty Filing Assistance Fund can provide up to $10,000 toward claim preparation costs.

### A Dedicated HOA Act — IN PROGRESS

Work continues on what would become D.C.'s first dedicated Homeowners Association Act, aimed at giving HOAs (which differ from condos) clearer, more tailored governance rules.

BLACKSTONE MANAGEMENT®
RESIDENTIAL • COMMERCIAL • ASSOCIATION
www.blackstoneAM.com • 240-349-2117

For informational purposes only. Not legal advice — consult your association's counsel for guidance specific to your governing documents.

## BILLS TO WATCH

- ### Condominium Insurance Realignment

  B26-0495 — Condominium Insurance Amendment Act of 2025

  Addresses rising insurance deductibles by shifting more of the financial responsibility to the unit where a loss originated. If a leak in one unit causes major damage, the association could pass along up to $25,000 of the deductible to that owner (unless bylaws set a higher amount). The bill also clarifies minimum insurance requirements for unit owners.

- ### Short-Term Rental Expansion

  B26-0647 — Short-Term Rental Regulation Amendment Act of 2026

  Would let tenants get short-term rental licenses with owner approval, allow owners to rent out a second D.C. property, and create special-event endorsements (e.g., inaugurations, Cherry Blossom Festival). Applicants would still need to confirm short-term rentals are allowed under their community's rules — associations should keep enforcing their own leasing and occupancy restrictions regardless of what the city allows.

## BILLS TO WATCH

- ### Smoke-Free Residential Buildings

  B26-0590 — Smoke-Free Residential Environments Amendment Act of 2026

  Would ban indoor smoking in buildings with two or more units, and within 25 feet of entrances or windows when others are present. Some associations already regulate smoking, but this would set a citywide standard — part of a broader trend toward public-health rules reaching into private communities.

- ### Water Billing & Shutoff Protections

  DC Water Billing and Disconnection Modernization Amendment Act of 2025

  Targets unpaid water bills and shutoffs, especially in master-metered buildings served by one account. Would add more notice before shutoff, longer timelines before disconnection, protections during extreme weather, and more rights for tenants and owner-occupants to open service in their own name. Associations in master-metered buildings should watch this closely.

## WHAT THIS MEANS FOR BOARDS

### BUDGET AHEAD

The proposed $25,000 deductible pass-through and existing BEPS compliance costs both have real budget implications — plan and communicate early with owners.

### KEEP ENFORCING YOUR OWN RULES

Even as D.C. loosens short-term rental and smoking regulation citywide, your governing documents remain the primary tool for enforcement inside your community.

### WATCH A ROLLING CALENDAR

Because the Council works year-round rather than on a fixed session, new bills and amendments can appear at any time — periodic legislative check-ins are worth building into board meetings.

### STRUCTURAL DEFECT CLAIMS

Remember that a District fund can offset up to $10,000 of the cost to prepare a warranty claim for structural defects — a resource worth knowing about before a major issue arises.

BLACKSTONE MANAGEMENT®
RESIDENTIAL • COMMERCIAL • ASSOCIATION
www.blackstoneAM.com • 240-349-2117