2027 Legislative & Public Policy Trends: What Community Associations Need to Know

by Phoebe E. Neseth, Esq. | Oct 15, 2026 | Advocacy, CAI, Community Associations Institute, Resources, volunteers | 1 comment



Community Associations Institute is dedicated to advocating for legislation and public policy that improves the governance and sustainability of community associations. As 2027 approaches, CAI's local, state, and federal, government affairs and advocacy efforts remain member-driven and focused on refining state policy outcomes to strengthen the community association housing model.

To effectively shape CAI's 2027 legislative agenda, the Government and Public Affairs team annually conducts a comprehensive survey engaging CAI members across the country including state and federal legislative action committee members and industry leaders such as the CAI Board of Trustees, chapter leaders, membership representation groups, and the College of Community Association

Lawyers. CAI's Government and Public Affairs Committee and staff prioritize member alignment and engagement, creditable data, transparency, and proactive positioning when it comes to our legislative and advocacy initiatives.

The 2026 survey demonstrated a 91% success rate in identifying the year's leading legislative trends, with 10 of the 11 predicted issue areas appearing among the 11 most prevalent issues reported after the legislative sessions. The 2027 survey reflects 249 responses from 47 states and the District of Columbia, including 156 delegates serving on 33 state legislative action committees. CAI's member-driven government affairs priorities combine member input, legislative data, and early positioning to improve policy outcomes for community associations.

The survey results, along with 2026 trends, led to the identification of the key legislative priorities for 2027:

Community Governance

Association Board Authority, Transparency, and Disclosure. With constituent complaints related to elections and access to books and records, CAI legislative committees see an increased focus on this issue in legislative proposals. CAI believes that board members should act within the boundaries of their authority defined by law and the governing documents of their association. Association leaders have a legal and ethical obligation to adhere to the association's governing documents and abide by all applicable laws.

Boards should have the authority to set expectations to meet the financial obligations to their community association. It is important for board members to balance the needs and obligations of the community with those of individual homeowners and residents. Board members should conduct open, fair, and well-publicized meetings and elections. Board members must disclose personal or professional relationships with companies or business relationships with the community. Board members must provide access to books and records upon request as required by the law and governing documents.

CAI advocates for transparency requirements that protect homeowner access and accountability without undermining boards' ability to govern communities and enforce financial obligations.

Board Member Education. CAI understands the importance of making board member education accessible to all. In recent years, state legislatures have been discussing policy around mandated forms of board member education including education on the housing model, fair housing, etc. CAI encourages board members to get education without state mandates. If states are considering mandated board member education, CAI recommends legislatures work with CAI's state legislative

action committees to establish a reasonable level of education for all community association board members.

Dispute Resolution Procedures and Ombudsperson Programs. CAI recently updated its dispute resolution public policy to reinforce a core industry principle: community associations should drive their own dispute-resolution processes to ensure flexibility while protecting the rights of homeowners and associations. Alternative Dispute Resolution is required in many states. Even in jurisdictions where ADR is not required by law, CAI strongly recommends the adoption of policies to offer ADR to address disputes between individual unit owners and between owners and the association. In certain cases, ADR can be used between associations and external entities such as developers. Community associations should have wide discretion to choose precisely how to implement ADR within their community. Determining the method of ADR may depend on the issues or parties involved, or the resources readily available to a particular community.

CAI proactively adopted a new public policy in 2026 to address ombudsperson legislation, which often includes dispute resolution components. The adoption of a state community association ombudsperson program moves the center of gravity for dispute resolution from the community to a state-level office that increases the complexity and costliness associated with the dispute resolution process. CAI believes legislators should focus on empowering community association boards to solve problems within communities rather than placing the burden on the state. Mandating the investigation of all complaints by a state-commissioned office is unnecessary as many complaints often can be easily resolved through a process outlined in the association's governing documents.

Manager and Management Company Disclosures. Recent state-level public policy trends and stakeholder conversations are increasingly holding community association managers and management companies to higher standards of transparency, accountability, and disclosure. These initiatives and ongoing conversations reflect a broader policy shift toward demanding managers and management companies operate with explicit registration, disclosures (financial, contractual, conflict-of-interest), and publicly accessible documentation to protect homeowners and enhance governance. CAI is gathering stakeholder feedback and ensuring conversations continue to guarantee legislation, and regulations are favorable and reasonable to the industry. CAI supports meaningful transparency and professional standards while avoiding duplicative or burdensome requirements that do not improve homeowner protection or association governance.

Condominium Safety

Reserve Studies and Funding. States continue to navigate reserve study and funding requirements in the wake of the Surfside tragedy. CAI and its legislative action committees continue to lead the conversation and be subject matter experts around proper reserve study standards. CAI recommends statutorily mandating reserve studies and funding for all community associations. CAI recommends additional requirements by developers during the development process and prior to transition to homeowners.

Building Inspections, Maintenance, Condominium Repair, and Maintenance Financing. CAI supports laws that provide for ongoing inspections of the structure and façades of a building that could have a negative impact on the safety and stability and endanger the safety of the occupants of a common interest residential building or a mixed-use building. CAI also promotes the connection of owners and/or community associations with funding mechanisms necessary to help finance necessary repairs either as part of maintenance or if discovered during an inspection. Following the Surfside condominium collapse, state legislatures and local governments have been discussing financing means and opportunities for condominium repair and maintenance. CAI continues to emphasize the importance of building safety through proactive maintenance measures, financial sustainability, and funding for repairs and maintenance in condominiums, cooperatives, and homeowners associations.

Association Financial Processes – Collections, Foreclosure and Fining Authority

Collection of Delinquent Assessments. CAI encourages the creation and continuation of effective methods to ensure efficient, economic, and successful association collection procedures. CAI opposes the enactment of overreaching governmental limitations on collection of assessments, fees, and other charges. CAI supports laws that strengthen collection methods provided they are undertaken in a fair and reasonable manner, give the affected owners notice, the opportunity to be heard, and other due process protections. CAI recently also updated its assessment increase limitations public policy recognizing that state legislatures must understand that a board's decision to adjust assessments is never made arbitrarily. Rather, decisions are based on in-depth knowledge of community finances and operations with consideration for all parties. CAI supports a community association's board of directors' reasonable discretion to determine appropriate assessment levels and favors governing documents that empower a board to raise assessments when necessary.

Foreclosures and Fining Authority. CAI recently updated its foreclosures and fining authority public policy to address the increase in legislation nationwide addressing foreclosure and collection procedures in community associations. The

authority of community associations to foreclose unpaid assessments or fines has been under examination by state legislatures and media outlets. CAI emphasizes the need for fair and equitable foreclosure procedures that protect homeowners, property values, and the financial health of community associations by ensuring foreclosures are completed in a timely and reasonable manner.

Construction Defect & Tort Reform

Construction Defects. Construction defect legislation must provide a community association with a meaningful and adequate opportunity to inspect the construction of common property and facilities, and to present claims to its builder. Builders must be given an opportunity to present a reasonable plan to repair defective construction, and an association should have the opportunity to accept or reject the plan. CAI also supports legislation that encourages alternative dispute resolution as an acceptable alternative to construction defect litigation when consent to ADR is truly voluntary and occurs after the dispute arises.

Insurance and Risk Management

Insurance and Risk Management. CAI supports policies that help improve access to affordable insurance for community associations. Increasing insurance premium can make it unaffordable for community associations to obtain and maintain coverage that meets best practices, their governing documents, and the law. CAI continues to work with stakeholders and state legislatures to address solutions for community associations. CAI believes that an effective risk management program can best be achieved if associations and their governing boards work with recognized community association professionals. CAI further believes that a comprehensive association insurance program must focus on meeting a broad range of legal and lender requirements. Risk management and insurance programs require that risks be fully evaluated and that funding by commercial insurance or self-insurance must be completely analyzed.

Housing Affordability

Housing Affordability. As a shortage of affordable housing located near employment and transportation continues, CAI continues to engage in conversations on how condominiums and housing cooperatives can be positioned as affordable solutions. Rising housing costs, limited housing supply, increased insurance expenses, higher borrowing costs, and rising inflation have made homeownership increasingly difficult for many Americans, including first-time buyers, working families, and seniors on fixed incomes. CAI's 2026 Housing Affordability public policy supports a balanced approach to housing affordability

that increases attainable homeownership opportunities while protecting the long-term viability of existing communities.

CAI supports efforts to increase access to affordable and stable housing for all people including those who choose to rent or own homes in community associations. CAI also supports the establishment of diverse housing options including middle housing and workforce housing options if protections for existing community associations are preserved.

Self-Governance of Community Associations

Community Values (i.e., sustainability, solar panels, electric vehicle charging stations, home gardening and farming, etc.). CAI supports the rights of community associations to self-govern and to reasonably regulate factors related to community values. CAI supports legislation that recognizes the core principle of self-governance, co-ownership of common property, and the community association housing model. CAI encourages policymakers to engage industry stakeholders including community association homeowners, board members, volunteer leaders, developers, community managers, and business partners, on this issue.

The future of the community association industry is shaped not only by the laws and policies enacted in state legislatures, but also by the voices of those who understand their real-world impact. Advocacy is a responsibility we share to protect and strengthen the communities where millions of people live.

Whether you are a community association manager, volunteer board member, homeowner, business partner, or industry professional, your involvement matters. By building relationships with elected officials, staying informed about legislative developments, participating in advocacy initiatives, and sharing your experiences, you can help ensure policymakers understand the challenges and opportunities facing community associations.

As we look ahead to 2027 when all 50 legislative sessions will convene, the need for a strong, unified industry voice has never been more important. Get involved with your state's CAI chapter, legislative action committee, connect with its advocacy team, and take action when legislative issues arise. The decisions made today will shape the future of community associations for years to come; the most effective way to influence those decisions is to make your voice heard.

Follow what's happening in your state by visiting CAI's website with a real-time legislative tracking map www.caionline.org/advocacy and subscribe to the CAI Advocacy Blog – https://advocacy.caionline.org.