

HOUSE BILL 525

N1

71r0591

By: **Delegates McConkey, V. Clagett, Hucker, Shewell, and Weir**

Introduced and read first time: February 7, 2007

Assigned to: Environmental Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Real Property – Condominiums and Homeowners Associations – Court**
3 **Appointment of Receiver**

4 FOR the purpose of authorizing a unit owner to petition a certain circuit court to
5 appoint a receiver if a council of unit owners fails to fill certain vacancies on the
6 board of directors under the Maryland Condominium Act; requiring a certain
7 unit owner to mail a certain notice; requiring a certain unit owner to post a
8 certain notice in a certain manner; providing that the unit owner may proceed
9 with the petition under certain circumstances; providing that a certain receiver
10 shall have certain powers and duties; providing for the term of service of a
11 receiver; providing that the salary of a certain receiver, certain court costs, and
12 certain attorney's fees are common expenses; authorizing an owner of a certain
13 lot to petition a certain circuit court to appoint a receiver if a homeowners
14 association fails to fill certain vacancies on the governing body under the
15 Maryland Homeowners Association Act; requiring a certain lot owner to mail a
16 certain notice; providing that the lot owner may proceed with the petition under
17 certain circumstances; providing that the salary of a certain receiver, certain
18 court costs, and certain attorney's fees are expenses of a homeowners
19 association; and generally relating to the appointment of a receiver for a
20 condominium or a homeowners association.

21 BY adding to

22 Article – Real Property

23 Section 11–109.3 and 11B–111.5

24 Annotated Code of Maryland

25 (2003 Replacement Volume and 2006 Supplement)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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

3 **Article – Real Property**

4 **11-109.3.**

5 (A) IF THE COUNCIL OF UNIT OWNERS FAILS TO FILL VACANCIES ON
6 THE BOARD OF DIRECTORS SUFFICIENT TO CONSTITUTE A QUORUM IN
7 ACCORDANCE WITH THE BYLAWS, A UNIT OWNER MAY PETITION THE CIRCUIT
8 COURT FOR THE COUNTY WHERE THE CONDOMINIUM IS LOCATED TO APPOINT A
9 RECEIVER TO MANAGE THE AFFAIRS OF THE COUNCIL OF UNIT OWNERS.

10 (B) (1) AT LEAST 30 DAYS BEFORE PETITIONING THE CIRCUIT
11 COURT, THE UNIT OWNER SHALL MAIL TO THE COUNCIL OF UNIT OWNERS A
12 NOTICE DESCRIBING THE PETITION AND THE PROPOSED ACTION.

13 (2) THE UNIT OWNER SHALL POST A COPY OF THE NOTICE IN A
14 CONSPICUOUS PLACE ON THE CONDOMINIUM PROPERTY.

15 (C) IF THE COUNCIL OF UNIT OWNERS FAILS TO FILL VACANCIES
16 SUFFICIENT TO CONSTITUTE A QUORUM WITHIN THE NOTICE PERIOD, THE UNIT
17 OWNER MAY PROCEED WITH THE PETITION.

18 (D) (1) A RECEIVER APPOINTED UNDER THIS SECTION SHALL HAVE
19 ALL POWERS AND DUTIES OF A DULY CONSTITUTED BOARD OF DIRECTORS.

20 (2) THE RECEIVER SHALL SERVE UNTIL THE COUNCIL OF UNIT
21 OWNERS FILLS VACANCIES ON THE BOARD OF DIRECTORS SUFFICIENT TO
22 CONSTITUTE A QUORUM.

23 (E) IF A RECEIVER IS APPOINTED, THE SALARY OF THE RECEIVER,
24 COURT COSTS, AND REASONABLE ATTORNEY'S FEES ARE COMMON EXPENSES.

25 **11B-111.5.**

26 (A) IF A HOMEOWNERS ASSOCIATION FAILS TO FILL VACANCIES ON THE
27 GOVERNING BODY SUFFICIENT TO CONSTITUTE A QUORUM IN ACCORDANCE
28 WITH THE BYLAWS, AN OWNER OF A LOT MAY PETITION THE CIRCUIT COURT

1 FOR THE COUNTY WHERE THE CONDOMINIUM IS LOCATED TO APPOINT A
2 RECEIVER TO MANAGE THE AFFAIRS OF THE HOMEOWNERS ASSOCIATION.

3 (B) (1) AT LEAST 30 DAYS BEFORE PETITIONING THE CIRCUIT
4 COURT, THE LOT OWNER SHALL MAIL TO THE GOVERNING BODY A NOTICE
5 DESCRIBING THE PETITION AND THE PROPOSED ACTION.

6 (2) THE LOT OWNER SHALL MAIL A COPY OF THE NOTICE TO THE
7 OWNER OF EACH LOT IN THE DEVELOPMENT.

8 (C) IF THE GOVERNING BODY FAILS TO FILL VACANCIES SUFFICIENT TO
9 CONSTITUTE A QUORUM WITHIN THE NOTICE PERIOD, THE LOT OWNER MAY
10 PROCEED WITH THE PETITION.

11 (D) (1) A RECEIVER APPOINTED UNDER THIS SECTION SHALL HAVE
12 ALL POWERS AND DUTIES OF A DULY CONSTITUTED GOVERNING BODY.

13 (2) THE RECEIVER SHALL SERVE UNTIL THE HOMEOWNERS
14 ASSOCIATION FILLS VACANCIES ON THE GOVERNING BODY SUFFICIENT TO
15 CONSTITUTE A QUORUM.

16 (E) IF A RECEIVER IS APPOINTED, THE SALARY OF THE RECEIVER,
17 COURT COSTS, AND REASONABLE ATTORNEY'S FEES ARE EXPENSES OF THE
18 HOMEOWNERS ASSOCIATION.

19 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
20 October 1, 2007.