

SENATE BILL 172

N1

9lr1252
CF HB 552

By: **Senators Lenett and Kittleman**

Introduced and read first time: January 21, 2009

Assigned to: Judicial Proceedings

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 18, 2009

CHAPTER _____

1 AN ACT concerning

2 **Maryland Homeowners Association Act – Closed Meetings of Homeowners**
3 **Association**

4 FOR the purpose of repealing a certain condition on which a meeting of the board of
5 directors or other governing body of a homeowners association or a committee of
6 a homeowners association may be held in closed session; altering certain
7 conditions on which a meeting of a governing body or committee of a
8 homeowners association may be held in closed session; authorizing a governing
9 body or committee of a homeowners association to hold a meeting in closed
10 session in order to discuss an individual owner assessment account; and
11 generally relating to closed meetings of a homeowners association.

12 BY repealing and reenacting, without amendments,
13 Article – Real Property
14 Section 11B–111(1) and (5)
15 Annotated Code of Maryland
16 (2003 Replacement Volume and 2008 Supplement)

17 BY repealing and reenacting, with amendments,
18 Article – Real Property
19 Section 11B–111(4)
20 Annotated Code of Maryland
21 (2003 Replacement Volume and 2008 Supplement)

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

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.



1 **Article – Real Property**

2 11B–111.

3 Except as provided in this title, and notwithstanding anything contained in any
4 of the documents of the homeowners association:

5 (1) Subject to the provisions of paragraph (4) of this section, all
6 meetings of the homeowners association, including meetings of the board of directors
7 or other governing body of the homeowners association or a committee of the
8 homeowners association, shall be open to all members of the homeowners association
9 or their agents;

10 (4) A meeting of the board of directors or other governing body of the
11 homeowners association or a committee of the homeowners association may be held in
12 closed session only for the following purposes:

13 (i) Discussion of matters pertaining to employees and
14 personnel;

15 (ii) Protection of the privacy or reputation of individuals in
16 matters not related to the homeowners association's business;

17 (iii) Consultation with legal counsel **ON LEGAL MATTERS;**

18 (iv) Consultation with staff personnel, consultants, attorneys,
19 **BOARD MEMBERS,** or other persons in connection with pending or potential litigation
20 **OR OTHER LEGAL MATTERS;**

21 (v) Investigative proceedings concerning possible or actual
22 criminal misconduct;

23 (vi) Consideration of the terms or conditions of a business
24 transaction in the negotiation stage if the disclosure could adversely affect the
25 economic interests of the homeowners association; ~~OR~~

26 (vii) Compliance with a specific constitutional, statutory, or
27 judicially imposed requirement protecting particular proceedings or matters from
28 public disclosure; [or

29 (viii) On an individually recorded affirmative vote of two-thirds of
30 the board or committee members present, some other exceptional reason so compelling
31 as to override the general public policy in favor of open meetings;] ~~and~~ **OR**

32 **(VIII) DISCUSSION OF INDIVIDUAL OWNER ASSESSMENT**
33 **ACCOUNTS; AND**

1 (5) If a meeting is held in closed session under paragraph (4) of this
2 section:

3 (i) An action may not be taken and a matter may not be
4 discussed if it is not permitted by paragraph (4) of this section; and

5 (ii) A statement of the time, place, and purpose of a closed
6 meeting, the record of the vote of each board or committee member by which the
7 meeting was closed, and the authority under this section for closing a meeting shall be
8 included in the minutes of the next meeting of the board of directors or the committee
9 of the homeowners association.

10 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
11 October 1, 2009.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.