

CHAPTER 144

(House Bill 552)

AN ACT concerning

Maryland Homeowners Association Act – Closed Meetings of Homeowners Association

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

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

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

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

Article – Real Property

11B–111.

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

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

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

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

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

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

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

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

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

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

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

(VIII) DISCUSSION OF INDIVIDUAL OWNER ASSESSMENT ACCOUNTS; AND

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

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

(ii) A statement of the time, place, and purpose of a closed meeting, the record of the vote of each board or committee member by which the meeting was closed, and the authority under this section for closing a meeting shall be

included in the minutes of the next meeting of the board of directors or the committee of the homeowners association.

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

Approved by the Governor, April 14, 2009.