

Department of Legislative Services
Maryland General Assembly
2009 Session

FISCAL AND POLICY NOTE
Revised

Senate Bill 172

(Senators Lenett and Kittleman)

Judicial Proceedings

Environmental Matters

Maryland Homeowners Association Act - Closed Meetings of Homeowners
Association

This bill alters the authority of a board of directors or other governing body or committee of a homeowners association to close a meeting. The bill (1) repeals a provision that authorizes a closed meeting by an individually recorded affirmative vote of two-thirds of the board or committee members present for an exception so compelling as to override the public policy in favor of open meetings; (2) allows a meeting to be closed to discuss individual owner assessment accounts; and (3) alters a current condition allowing closure to require that a consultation with legal counsel pertain to legal matters.

Fiscal Summary

State Effect: If the Consumer Protection Division of the Office of the Attorney General receives fewer than 50 complaints per year stemming from the bill, the additional workload can be handled with existing resources. No effect on revenues.

Local Effect: The bill does not directly affect local finances or operations.

Small Business Effect: None.

Analysis

Current Law: Notwithstanding the documents of the homeowners association, all meetings of a homeowners association, including meetings of the board of directors or other governing body or a committee of the homeowners association, must be open to all members of the homeowners association or their agents. However, a meeting may be held in closed session only for:

- discussion of matters pertaining to employees and personnel;
- protection of the privacy or reputation of individuals in matters not related to the homeowners association's business;
- consultation with legal counsel;
- consultation with staff personnel, consultants, attorneys, or other persons in connection with pending or potential litigation;
- investigative proceedings concerning criminal misconduct;
- consideration of a business transaction in the negotiation stage if disclosure could adversely affect the economic interests of the homeowners association;
- compliance with a specific constitutional, statutory, or judicially imposed requirement that protects particular proceedings or matters from public disclosure; or
- on an individually recorded affirmative two-thirds vote of the board or committee members present, for some other exceptional reason so compelling as to override the general public policy in favor of open meetings.

If a meeting is held in closed session for one of the aforementioned purposes, a statement of the time, place, and purpose of the meeting, the record of the vote of each board or committee member to close the meeting, and the statutory authority for closing the meeting must be included in the minutes of the next meeting of the board of directors or the committee of the homeowners association.

Additional Information

Prior Introductions: None.

Cross File: HB 552 (Delegates Hucker and Sossi) - Environmental Matters.

Information Source(s): Office of the Attorney General (Consumer Protection Division), Secretary of State, Department of Legislative Services

Fiscal Note History: First Reader - February 18, 2009
mlm/kdm Revised - Senate Third Reader - March 31, 2009

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