

HOUSE BILL 38

Unofficial Copy
N1

1998 Regular Session
(81r0049)

ENROLLED BILL
-- Economic Matters/Judicial Proceedings --

Introduced by ~~Delegates Kach and Kagan~~ **Kach, Kagan, and O'Donnell**

Read and Examined by Proofreaders:

Proofreader.

Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this
____ day of _____ at _____ o'clock, ____ M.

Speaker.

CHAPTER _____

1 AN ACT concerning

2 **Condominiums and Homeowners Associations - Rights and Restrictions**

3 FOR the purpose of authorizing condominium unit owners and homeowners
4 association lot owners to ~~assemble~~ meet in certain areas for certain purposes
5 ~~and under certain circumstances; requiring certain governing bodies or~~
6 ~~committees of condominiums and homeowners associations to designate a period~~
7 ~~of time during certain meetings to allow an opportunity to comment on certain~~
8 ~~matters~~ requiring certain governing bodies and committees of condominiums to
9 allow unit owners to comment on certain matters during certain meetings,
10 subject to certain rules; requiring certain governing bodies and committees of
11 homeowners associations to allow ~~property~~ lot owners to comment on certain
12 matters during certain meetings, subject to certain rules; authorizing unit
13 owners and lot owners to distribute information ~~and circulate petitions at in~~
14 certain places and in certain ways, subject to certain rules; defining certain
15 terms; and generally relating to rights of condominium unit owners and
16 homeowners association lot owners.

17 BY repealing and reenacting, with amendments,

1 Article - Real Property
2 Section 11-101, 11-108, 11-109(c), 11B-101, and 11B-111
3 Annotated Code of Maryland
4 (1996 Replacement Volume and 1997 Supplement)

5 BY adding to
6 Article - Real Property
7 Section 11-111.2, 11B-111.2, and 11B-111.3
8 Annotated Code of Maryland
9 (1996 Replacement Volume and 1997 Supplement)

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

12 **Article - Real Property**

13 11-101.

14 (a) In this title the following words have the meanings indicated unless
15 otherwise apparent from context.

16 (b) (1) "Board of directors" means the persons to whom some or all of the
17 powers of the council of unit owners have been delegated under this title or under the
18 condominium bylaws.

19 (2) "Board of directors" includes any reference to "board".

20 (c) (1) "Common elements" means all of the condominium except the units.

21 [(1)] (2) "Limited common elements" means those common elements
22 identified in the declaration or on the condominium plat as reserved for the exclusive
23 use of one or more but less than all of the unit owners.

24 [(2)] (3) "General common elements" means all the common elements
25 except the limited common elements.

26 (d) "Common expenses and common profits" means the expenses and profits of
27 the council of unit owners.

28 (e) "Condominium" means property subject to the condominium regime
29 established under this title.

30 (f) "Council of unit owners" means the legal entity described in § 11-109 of
31 this title.

32 (g) "Developer" means any person who subjects his property to the
33 condominium regime established by this title.

1 (H) "GOVERNING BODY" MEANS ~~THE COUNCIL OF UNIT OWNERS, BOARD OF~~
2 ~~DIRECTORS, OR OTHER ENTITY ESTABLISHED TO GOVERN THE CONDOMINIUM THE~~
3 ~~COUNCIL OF UNIT OWNERS, BOARD OF DIRECTORS, OR ANY COMMITTEE OF THE~~
4 ~~COUNCIL OF UNIT OWNERS OR BOARD OF DIRECTORS, OR THOSE OFFICERS,~~
5 ~~MANAGING AGENTS, OR OTHER PERSONS TO WHOM AUTHORITY IS DELEGATED IN~~
6 ~~ACCORDANCE WITH § 11-109(B) OF THIS TITLE.~~

7 [(h)] (I) "Housing agency" means a housing agency of a county or
8 incorporated municipality or some other agency or entity of a county or incorporated
9 municipality designated as such by law or ordinance.

10 [(i)] (J) "Mortgagee" means the holder of any recorded mortgage, or the
11 beneficiary of any recorded deed of trust, encumbering one or more units.

12 [(j)] (K) "Moving expenses" means costs incurred to:

13 (1) Hire contractors, labor, trucks, or equipment for the transportation of
14 personal property;

15 (2) Pack and unpack personal property;

16 (3) Disconnect and install personal property;

17 (4) Insure personal property to be moved; and

18 (5) Disconnect and reconnect utilities such as telephone service, gas,
19 water, and electricity.

20 [(k)] (L) "Occupant" means any lessee or guest of a unit owner.

21 [(l)] (M) "Percentage interests" means the interests, expressed as a
22 percentage, fraction or proportion, established in accordance with § 11-107 OF THIS
23 TITLE.

24 [(m)] (N) "Property" means unimproved land, land together with
25 improvements thereon, improvements without the underlying land, or riparian or
26 littoral rights associated with land. Property may consist of noncontiguous parcels or
27 improvements.

28 [(n)] (O) "Rental facility" means property containing dwelling units intended
29 to be leased to persons who occupy the dwellings as their residences.

30 [(o)] (P) "Unit" means a three-dimensional space identified as such in the
31 declaration and on the condominium plat and shall include all improvements
32 contained within the space except those excluded in the declaration, the boundaries of
33 which are established in accordance with § 11-103(a)(3) of this title. A unit may
34 include 2 or more noncontiguous spaces.

1 [(p)] (Q) "Unit owner" means the person, or combination of persons, who hold
2 legal title to a unit. A mortgagee or a trustee designated under a deed of trust, as
3 such, may not be deemed a unit owner.

4 11-108.

5 (a) [The] SUBJECT TO THE PROVISIONS OF SUBSECTION (C) OF THIS
6 SECTION, THE common elements may be used only for the purposes for which they
7 were intended and, except as provided in the declaration, the common elements shall
8 be subject to mutual rights of support, access, use, and enjoyment by all unit owners.
9 However, subject to the provisions of subsection (b) of this section, any portion of the
10 common elements designated as limited common elements shall be used only by the
11 unit owner of the unit to which their use is limited in the declaration or condominium
12 plat.

13 (b) Any unit owner or any group of unit owners of units to which the use of any
14 limited common element is exclusively restricted may grant by deed the exclusive use,
15 or the joint use in common with one or more of the grantors, of the limited common
16 elements to any one or more unit owners. A copy of the deed shall be furnished to the
17 council of unit owners.

18 (C) ~~SUBJECT TO REASONABLE RULES ADOPTED BY THE GOVERNING BODY~~
19 ~~UNDER § 11-111 OF THIS SUBTITLE, ALL UNIT OWNERS MAY ASSEMBLE IN THE~~
20 ~~GENERAL COMMON ELEMENTS OR IN ANY BUILDING OR FACILITY IN THE GENERAL~~
21 ~~COMMON ELEMENTS FOR THE PURPOSE OF CONSIDERING AND DISCUSSING THE~~
22 ~~OPERATION OF AND MATTERS RELATING TO THE OPERATION OF THE~~
23 ~~CONDOMINIUM.~~

24 (1) THIS SUBSECTION DOES NOT APPLY TO ANY MEETINGS OF UNIT
25 OWNERS OCCURRING AT ANY TIME BEFORE THE UNIT OWNERS ELECT OFFICERS OR
26 A BOARD OF DIRECTORS IN ACCORDANCE WITH § 11-109(C)(16) OF THIS TITLE.

27 (2) SUBJECT TO REASONABLE RULES ADOPTED BY THE GOVERNING
28 BODY UNDER § 11-111 OF THIS SUBTITLE, UNIT OWNERS MAY MEET FOR THE
29 PURPOSE OF CONSIDERING AND DISCUSSING THE OPERATION OF AND MATTERS
30 RELATING TO THE OPERATION OF THE CONDOMINIUM IN ANY COMMON ELEMENTS
31 OR IN ANY BUILDING OR FACILITY IN THE COMMON ELEMENTS THAT THE
32 GOVERNING BODY OF THE CONDOMINIUM USES FOR SCHEDULED MEETINGS.

33 11-109.

34 (c) (1) A meeting of the council of unit owners or board of directors may not
35 be held on less notice than required by this section.

36 (2) The council of unit owners shall maintain a current roster of names
37 and addresses of each unit owner to which notice of meetings of the board of directors
38 shall be sent at least annually.

1 (3) Each unit owner shall furnish the council of unit owners with his
2 name and current mailing address. A unit owner may not vote at meetings of the
3 council of unit owners until this information is furnished.

4 (4) A regular or special meeting of the council of unit owners may not be
5 held on less than 10 nor more than 90 days' written notice delivered or mailed to each
6 unit owner at the address shown on the roster on the date of the notice.

7 (5) Notice of special meetings of the board of directors shall be given as
8 provided in the bylaws.

9 (6) Except as provided in § 11-109.1 of this title, a meeting of [the
10 council of unit owners or board of directors] A GOVERNING BODY ~~OR COMMITTEE~~
11 shall be open and held at a time and location as provided in the notice or bylaws.

12 (7) ~~SUBJECT TO REASONABLE RULES ADOPTED BY THE GOVERNING~~
13 ~~BODY UNDER § 11-111 OF THIS SUBTITLE, A GOVERNING BODY OR COMMITTEE SHALL~~
14 ~~PROVIDE A DESIGNATED PERIOD OF TIME DURING A MEETING TO ALLOW UNIT~~
15 ~~OWNERS AN OPPORTUNITY TO COMMENT ON ANY MATTER RELATING TO THE~~
16 ~~CONDOMINIUM.~~

17 (7) (I) THIS PARAGRAPH DOES NOT APPLY TO ANY MEETING OF THE
18 COUNCIL OF UNIT OWNERS GOVERNING BODY THAT OCCURS AT ANY TIME BEFORE
19 THE MEETING AT WHICH THE UNIT OWNERS ELECT OFFICERS OR A BOARD OF
20 DIRECTORS IN ACCORDANCE WITH PARAGRAPH (16) OF THIS SUBSECTION.

21 (II) SUBJECT TO SUBPARAGRAPH (III) OF THIS PARAGRAPH AND TO
22 REASONABLE RULES ADOPTED BY THE GOVERNING BODY UNDER § 11-111 OF THIS
23 SUBTITLE, A GOVERNING BODY SHALL PROVIDE A DESIGNATED PERIOD OF TIME
24 DURING A MEETING TO ALLOW UNIT OWNERS AN OPPORTUNITY TO COMMENT ON
25 ANY MATTER RELATING TO THE CONDOMINIUM.

26 (III) DURING A MEETING AT WHICH THE AGENDA IS LIMITED TO
27 SPECIFIC TOPICS OR AT A SPECIAL MEETING, THE UNIT OWNERS' COMMENTS MAY BE
28 LIMITED TO THE TOPICS LISTED ON THE MEETING AGENDA.

29 (IV) THE GOVERNING BODY SHALL CONVENE AT LEAST ONE
30 MEETING EACH YEAR AT WHICH THE AGENDA IS OPEN TO ANY MATTER RELATING
31 TO THE CONDOMINIUM.

32 [(7)] (8) Unless the bylaws provide otherwise, a quorum is deemed
33 present throughout any meeting of the council of unit owners if persons entitled to
34 cast 25 percent of the total number of votes appurtenant to all units are present in
35 person or by proxy.

36 [(8)] (9) At meetings of the council of unit owners each unit owner shall
37 be entitled to cast the number of votes appurtenant to his unit. Unit owners may vote
38 by proxy, but, the proxy is effective only for a maximum period of 180 days following
39 its issuance, unless granted to a lessee or mortgagee.

1 [(9)] (10) Any proxy may be revoked at any time at the pleasure of the
2 unit owner or unit owners executing the proxy.

3 [(10)] (11) A proxy who is not appointed to vote as directed by a unit owner
4 may only be appointed for purposes of meeting quorums and to vote for matters of
5 business before the council of unit owners, other than an election of officers and
6 members of the board of directors.

7 [(11)] (12) Only a unit owner voting in person or a proxy voting for
8 candidates designated by a unit owner may vote for officers and members of the board
9 of directors.

10 [(12)] (13) Unless otherwise provided in the bylaws, a unit owner may
11 nominate himself or any other person to be an officer or member of the board of
12 directors. A call for nominations shall be sent to all unit owners not less than 45 days
13 before notice of an election is sent. Only nominations made at least 15 days before
14 notice of an election shall be listed on the election ballot. Candidates shall be listed on
15 the ballot in alphabetical order, with no indicated candidate preference. Nominations
16 may be made from the floor at the meeting at which the election to the board is held.

17 [(13)] (14) Election materials prepared with funds of the council of unit
18 owners shall list candidates in alphabetical order and may not indicate a candidate
19 preference.

20 [(14)] (15) Unless otherwise provided in this title, and subject to provisions
21 in the bylaws requiring a different majority, decisions of the council of unit owners
22 shall be made on a majority of votes of the unit owners listed on the current roster
23 present and voting.

24 [(15)] (16) A meeting of the council of unit owners shall be held within 60
25 days from the date that units representing 50 percent of the votes in the
26 condominium have been conveyed by the developer to the initial purchasers of units
27 to elect officers or a board of directors for the council of unit owners, as provided in
28 the condominium declaration or bylaws.

29 11-111.2.

30 (A) ~~A RECORDED COVENANT OR RESTRICTION, A PROVISION IN A
31 DECLARATION, OR A PROVISION OF THE BYLAWS OR RULES OF A CONDOMINIUM MAY
32 NOT RESTRICT A UNIT OWNER FROM DISTRIBUTING INFORMATION OR CIRCULATING
33 PETITIONS TO OTHER UNIT OWNERS REGARDING THE OPERATION OF AND MATTERS
34 RELATING TO THE OPERATION OF THE CONDOMINIUM.~~

35 ~~(1) IN ALL GENERAL COMMON ELEMENTS AND IN ANY BUILDING OR
36 FACILITY LOCATED IN THE GENERAL COMMON ELEMENTS, SUBJECT TO
37 REASONABLE RULES CONCERNING TIME, PLACE, AND MANNER ADOPTED BY THE
38 GOVERNING BODY UNDER § 11-111 OF THIS SUBTITLE; AND~~

39 ~~(2) IN ANY MANNER THAT A GOVERNING BODY DISTRIBUTES
40 INFORMATION AND CIRCULATES PETITIONS TO UNIT OWNERS.~~

1 ~~(B) THE COSTS OF DUPLICATION, DISTRIBUTION, OR REMOVAL OF MATERIALS~~
2 ~~PREPARED BY A UNIT OWNER SHALL BE THE RESPONSIBILITY OF THOSE~~
3 ~~DISTRIBUTING THE INFORMATION OR CIRCULATING THE PETITIONS.~~

4 ~~(C) THIS SECTION MAY NOT BE CONSTRUED TO REQUIRE THE GOVERNING~~
5 ~~BODY TO DUPLICATE OR DISTRIBUTE MATERIAL PREPARED BY A UNIT OWNER.~~

6 (A) THIS SECTION DOES NOT APPLY TO THE DISTRIBUTION OF INFORMATION
7 OR MATERIALS AT ANY TIME BEFORE THE UNIT OWNERS ELECT OFFICERS OR A
8 BOARD OF DIRECTORS IN ACCORDANCE WITH § 11-109(C)(16) OF THIS TITLE.

9 (B) IN THIS SECTION, THE DOOR-TO-DOOR DISTRIBUTION OF ANY OF THE
10 FOLLOWING INFORMATION OR MATERIALS MAY NOT BE CONSIDERED A
11 DISTRIBUTION FOR PURPOSES OF DETERMINING THE MANNER IN WHICH A
12 GOVERNING BODY DISTRIBUTES INFORMATION OR MATERIALS UNDER THIS
13 SECTION:

14 (1) ANY INFORMATION OR MATERIALS REFLECTING THE ASSESSMENTS
15 IMPOSED ON UNIT OWNERS IN ACCORDANCE WITH A RECORDED COVENANT, THE
16 DECLARATION, BYLAW, OR RULE OF THE CONDOMINIUM; AND

17 (2) ANY MEETING NOTICES OF THE GOVERNING BODY.

18 (C) EXCEPT FOR REASONABLE RESTRICTIONS TO THE TIME OF DISTRIBUTION,
19 A RECORDED COVENANT OR RESTRICTION, A PROVISION IN A DECLARATION, OR A
20 PROVISION OF THE BYLAWS OR RULES OF A CONDOMINIUM MAY NOT RESTRICT A
21 UNIT OWNER FROM DISTRIBUTING WRITTEN INFORMATION OR MATERIALS
22 REGARDING THE OPERATION OF OR MATTERS RELATING TO THE OPERATION OF THE
23 CONDOMINIUM IN ANY MANNER OR PLACE THAT THE GOVERNING BODY
24 DISTRIBUTES WRITTEN INFORMATION OR MATERIALS.

25 11B-101.

26 (a) In this title the following words have the meanings indicated, unless the
27 context requires otherwise.

28 (b) "Common areas" means property which is owned or leased by a
29 homeowners association.

30 (c) "Declarant" means any person who subjects property to a declaration.

31 (d) (1) "Declaration" means an instrument, however denominated, recorded
32 among the land records of the county in which the property of the declarant is located,
33 that creates the authority for a homeowners association to impose on lots, or on the
34 owners or occupants of lots, or on another homeowners association, condominium, or
35 cooperative housing corporation any mandatory fee in connection with the provision
36 of services or otherwise for the benefit of some or all of the lots, the owners or
37 occupants of lots, or the common areas.

1 (2) "Declaration" includes any amendment or supplement to the
2 instruments described in paragraph (1) of this subsection.

3 (3) "Declaration" does not include a private right-of-way or similar
4 agreement unless it requires a mandatory fee payable annually or at more frequent
5 intervals.

6 (e) "Depository" or "homeowners association depository" means the document
7 file created by the clerk of the court of each county and the City of Baltimore where a
8 homeowners association may periodically deposit information as required by this
9 title.

10 (f) (1) "Development" means property subject to a declaration.

11 (2) "Development" includes property comprising a condominium or
12 cooperative housing corporation to the extent that the property is part of a
13 development.

14 (3) "Development" does not include a cooperative housing corporation or
15 a condominium.

16 (G) "GOVERNING BODY" MEANS THE HOMEOWNERS ASSOCIATION, BOARD OF
17 DIRECTORS, OR OTHER ENTITY ESTABLISHED TO GOVERN THE DEVELOPMENT.

18 [(g)] (H) (1) "Homeowners association" means a person having the authority
19 to enforce the provisions of a declaration.

20 (2) "Homeowners association" includes an incorporated or
21 unincorporated association.

22 [(h)] (I) (1) "Lot" means any plot or parcel of land on which a dwelling is
23 located or will be located within a development.

24 (2) "Lot" includes a unit within a condominium or cooperative housing
25 corporation if the condominium or cooperative housing corporation is part of a
26 development.

27 [(i)] (J) "Primary development" means a development such that the
28 purchaser of a lot will pay fees directly to its homeowners association.

29 [(j)] (K) "Recorded covenants and restrictions" means any instrument of
30 writing which is recorded in the land records of the jurisdiction within which a lot is
31 located, and which instrument governs or otherwise legally restricts the use of such
32 lot.

33 [(k)] (L) "Related development" means a development such that the purchaser
34 of a lot will pay fees to the homeowners association of such development through the
35 homeowners association of a primary development or another development.

1 [(1)] (M) "Unaffiliated declarant" means a person who is not affiliated with the
2 vendor of a lot but who has subjected such property to a declaration required to be
3 disclosed by this title.

4 11B-111.

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

7 (1) Subject to the provisions of paragraph [(3)] (4) of this section, all
8 meetings of the homeowners association, including meetings of the board of directors
9 or other governing body of the homeowners association or a committee of the
10 homeowners association, shall be open to all members of the homeowners association
11 or their agents;

12 (2) All members of the homeowners association shall be given reasonable
13 notice of all regularly scheduled open meetings of the homeowners association;

14 ~~(3) SUBJECT TO REASONABLE RULES ADOPTED BY THE GOVERNING~~
15 ~~BODY, A GOVERNING BODY OR COMMITTEE SHALL PROVIDE A DESIGNATED PERIOD~~
16 ~~OF TIME DURING A MEETING TO ALLOW LOT OWNERS AN OPPORTUNITY TO~~
17 ~~COMMENT ON ANY MATTER RELATING TO THE HOMEOWNERS ASSOCIATION;~~

18 (3) (I) THIS PARAGRAPH DOES NOT APPLY TO ANY MEETING OF A
19 HOMEOWNERS ASSOCIATION GOVERNING BODY THAT OCCURS AT ANY TIME BEFORE
20 THE LOT OWNERS, OTHER THAN THE DEVELOPER, HAVE A MAJORITY OF VOTES IN
21 THE HOMEOWNERS ASSOCIATION, AS PROVIDED IN THE DECLARATION;

22 (II) SUBJECT TO SUBPARAGRAPH (III) OF THIS PARAGRAPH AND TO
23 REASONABLE RULES ADOPTED BY A GOVERNING BODY, A GOVERNING BODY SHALL
24 PROVIDE A DESIGNATED PERIOD OF TIME DURING A MEETING TO ALLOW LOT
25 OWNERS AN OPPORTUNITY TO COMMENT ON ANY MATTER RELATING TO THE
26 HOMEOWNERS ASSOCIATION;

27 (III) DURING A MEETING AT WHICH THE AGENDA IS LIMITED TO
28 SPECIFIC TOPICS OR AT A SPECIAL MEETING, THE LOT OWNERS' COMMENTS MAY BE
29 LIMITED TO THE TOPICS LISTED ON THE MEETING AGENDA; AND

30 (IV) THE GOVERNING BODY SHALL CONVENE AT LEAST ONE
31 MEETING EACH YEAR AT WHICH THE AGENDA IS OPEN TO ANY MATTER RELATING
32 TO THE HOMEOWNERS ASSOCIATION;

33 [(3)] (4) A meeting of the board of directors or other governing body of
34 the homeowners association or a committee of the homeowners association may be
35 held in closed session only for the following purposes:

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

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

- 1 (iii) Consultation with legal counsel;
- 2 (iv) Consultation with staff personnel, consultants, attorneys, or
3 other persons in connection with pending or potential litigation;
- 4 (v) Investigative proceedings concerning possible or actual criminal
5 misconduct;
- 6 (vi) Consideration of the terms or conditions of a business
7 transaction in the negotiation stage if the disclosure could adversely affect the
8 economic interests of the homeowners association;
- 9 (vii) Compliance with a specific constitutional, statutory, or
10 judicially imposed requirement protecting particular proceedings or matters from
11 public disclosure; or
- 12 (viii) On an individually recorded affirmative vote of two-thirds of
13 the board or committee members present, some other exceptional reason so
14 compelling as to override the general public policy in favor of open meetings; and
- 15 [(4)] (5) If a meeting is held in closed session under paragraph [(3)] (4)
16 of this section:
- 17 (i) An action may not be taken and a matter may not be discussed
18 if it is not permitted by paragraph [(3)] (4) of this section; and
- 19 (ii) A statement of the time, place, and purpose of a closed meeting,
20 the record of the vote of each board or committee member by which the meeting was
21 closed, and the authority under this section for closing a meeting shall be included in
22 the minutes of the next meeting of the board of directors or the committee of the
23 homeowners association.

24 11B-111.2.

25 ~~(A) A RECORDED COVENANT OR RESTRICTION, A PROVISION IN A~~
26 ~~DECLARATION, OR A PROVISION OF THE BYLAWS OR RULES OF A HOMEOWNERS~~
27 ~~ASSOCIATION MAY NOT RESTRICT LOT OWNERS FROM DISTRIBUTING INFORMATION~~
28 ~~OR CIRCULATING PETITIONS TO OTHER LOT OWNERS REGARDING THE OPERATION~~
29 ~~OF AND MATTERS RELATING TO THE OPERATION OF THE HOMEOWNERS~~
30 ~~ASSOCIATION:~~

31 ~~(1) IN ALL COMMON AREAS AND IN ANY BUILDING OR FACILITY~~
32 ~~LOCATED IN THE COMMON AREAS, SUBJECT TO REASONABLE RULES CONCERNING~~
33 ~~TIME, PLACE, AND MANNER ADOPTED BY THE GOVERNING BODY; AND~~

34 ~~(2) IN ANY MANNER THAT A GOVERNING BODY DISTRIBUTES~~
35 ~~INFORMATION AND CIRCULATES PETITIONS TO MEMBERS OF THE HOMEOWNERS~~
36 ~~ASSOCIATION.~~

1 ~~(B) THE COSTS OF DUPLICATION, DISTRIBUTION, OR REMOVAL OF MATERIALS~~
2 ~~PREPARED BY A LOT OWNER SHALL BE THE RESPONSIBILITY OF THOSE~~
3 ~~DISTRIBUTING THE INFORMATION OR CIRCULATING THE PETITIONS.~~

4 ~~(C) THIS SECTION MAY NOT BE CONSTRUED TO REQUIRE THE GOVERNING~~
5 ~~BODY TO DUPLICATE OR DISTRIBUTE MATERIAL PREPARED BY A LOT OWNER.~~

6 (A) THIS SECTION DOES NOT APPLY TO THE DISTRIBUTION OF INFORMATION
7 OR MATERIALS AT ANY TIME BEFORE THE LOT OWNERS, OTHER THAN THE
8 DEVELOPER, HAVE A MAJORITY OF VOTES IN THE HOMEOWNERS ASSOCIATION, AS
9 PROVIDED IN THE DECLARATION.

10 (B) IN THIS SECTION, THE DOOR-TO-DOOR DISTRIBUTION OF ANY OF THE
11 FOLLOWING INFORMATION OR MATERIALS MAY NOT BE CONSIDERED A
12 DISTRIBUTION FOR PURPOSES OF DETERMINING THE MANNER IN WHICH A
13 GOVERNING BODY DISTRIBUTES INFORMATION UNDER THIS SECTION:

14 (1) ANY INFORMATION OR MATERIALS REFLECTING THE ASSESSMENTS
15 IMPOSED ON LOT OWNERS IN ACCORDANCE WITH A RECORDED COVENANT, THE
16 DECLARATION, BYLAW, OR RULE OF THE HOMEOWNERS ASSOCIATION; AND

17 (2) ANY MEETING NOTICES OF THE GOVERNING BODY.

18 (C) EXCEPT FOR REASONABLE RESTRICTIONS TO THE TIME OF DISTRIBUTION,
19 A RECORDED COVENANT OR RESTRICTION, A PROVISION IN A DECLARATION, OR A
20 PROVISION OF THE BYLAWS OR RULES OF A HOMEOWNERS ASSOCIATION MAY NOT
21 RESTRICT A LOT OWNER FROM DISTRIBUTING WRITTEN INFORMATION OR
22 MATERIALS REGARDING THE OPERATION OF OR MATTERS RELATING TO THE
23 OPERATION OF THE HOMEOWNERS ASSOCIATION IN ANY MANNER OR PLACE THAT
24 THE GOVERNING BODY DISTRIBUTES WRITTEN INFORMATION OR MATERIALS.

25 11B-111.3.

26 ~~SUBJECT TO REASONABLE RULES ADOPTED BY THE GOVERNING BODY, ALL LOT~~
27 ~~OWNERS MAY ASSEMBLE IN THE COMMON AREAS OR IN ANY BUILDING OR FACILITY~~
28 ~~IN THE COMMON AREAS FOR THE PURPOSE OF CONSIDERING AND DISCUSSING THE~~
29 ~~OPERATION OF AND MATTERS RELATING TO THE OPERATION OF THE HOMEOWNERS~~
30 ~~ASSOCIATION.~~

31 (A) THIS SECTION DOES NOT APPLY TO ANY MEETINGS OF LOT OWNERS
32 OCCURRING AT ANY TIME BEFORE THE LOT OWNERS, OTHER THAN THE DEVELOPER,
33 HAVE A MAJORITY OF THE VOTES IN THE HOMEOWNERS ASSOCIATION, AS PROVIDED
34 IN THE DECLARATION.

35 (B) SUBJECT TO REASONABLE RULES ADOPTED BY THE GOVERNING BODY,
36 LOT OWNERS MAY MEET FOR THE PURPOSE OF CONSIDERING AND DISCUSSING THE
37 OPERATION OF AND MATTERS RELATING TO THE OPERATION OF THE HOMEOWNERS
38 ASSOCIATION IN ANY COMMON AREAS OR IN ANY BUILDING OR FACILITY IN THE
39 COMMON AREAS THAT THE GOVERNING BODY OF THE HOMEOWNERS ASSOCIATION
40 USES FOR SCHEDULED MEETINGS.

1 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
2 October 1, 1998.