Unofficial Copy N1

1998 Regular Session (8lr0049)

# ENROLLED BILL

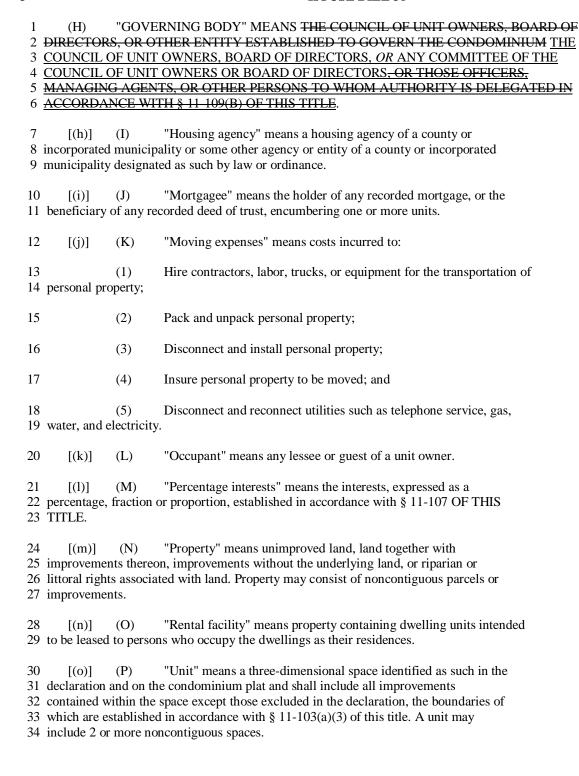
-- Economic Matters/Judicial Proceedings --

Introd	luced by <b>Delegates <del>Kach and Kagan</del> <u>Kach, Kagan, and O'Donnell</u></b>				
	Read and Examined by Proofreaders:				
		Proofreader.			
	d with the Great Seal and presented to the Governor, for his approval this day of at o'clock,M.	Proofreader.			
		Speaker.			
	CHAPTER				
1 A	AN ACT concerning				
2	Condominiums and Homeowners Associations - Rights and Restrictions				
	OR the purpose of authorizing condominium unit owners and homeowners				
4 5	association lot owners to assemble meet in certain areas for certain purposes 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 15	certain places and in certain ways, subject to certain rules; defining certain terms; and generally relating to rights of condominium unit owners and				
16	homeowners association lot owners.				
10	nomeowners association for owners.				

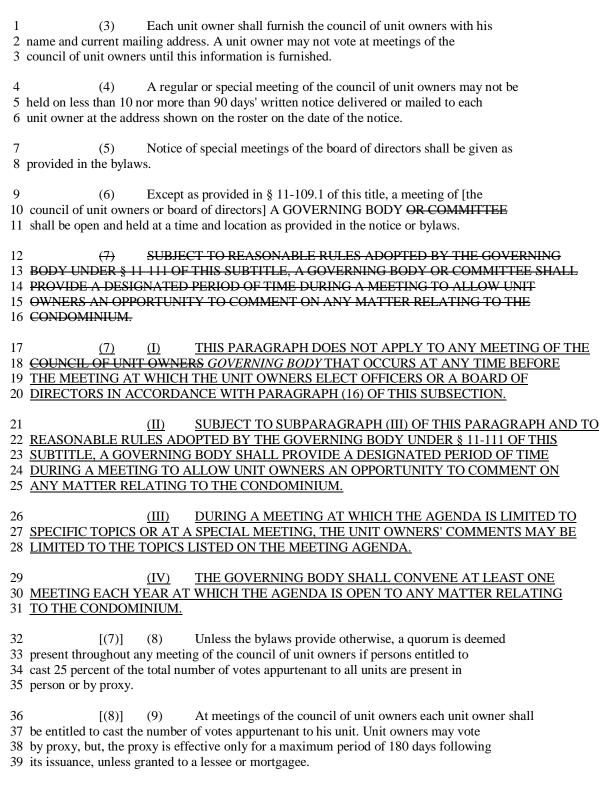
17 BY repealing and reenacting, with amendments,

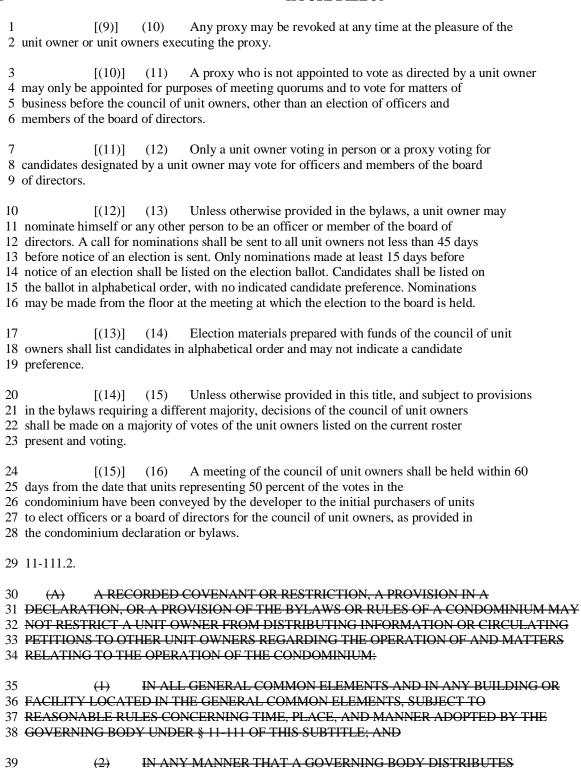
**HOUSE BILL 38** 1 Article - Real Property 2 Section 11-101, 11-108, 11-109(c), 11B-101, and 11B-111 3 Annotated Code of Maryland (1996 Replacement Volume and 1997 Supplement) 4 5 BY adding to Article - Real Property 6 Section 11-111.2, 11B-111.2, and 11B-111.3 7 8 Annotated Code of Maryland 9 (1996 Replacement Volume and 1997 Supplement) SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF 10 11 MARYLAND, That the Laws of Maryland read as follows: 12 **Article - Real Property** 13 11-101. 14 In this title the following words have the meanings indicated unless (a) 15 otherwise apparent from context. 16 "Board of directors" means the persons to whom some or all of the (1) powers of the council of unit owners have been delegated under this title or under the 17 18 condominium bylaws. 19 (2) "Board of directors" includes any reference to "board". "Common elements" means all of the condominium except the units. 20 (c) (1) "Limited common elements" means those common elements 21 [(1)](2) 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 "General common elements" means all the common elements [(2)](3) 25 except the limited common elements. "Common expenses and common profits" means the expenses and profits of 26 (d) 27 the council of unit owners. 28 "Condominium" means property subject to the condominium regime 29 established under this title. 30 "Council of unit owners" means the legal entity described in § 11-109 of (f) 31 this title. 32 "Developer" means any person who subjects his property to the

33 condominium regime established by this title.



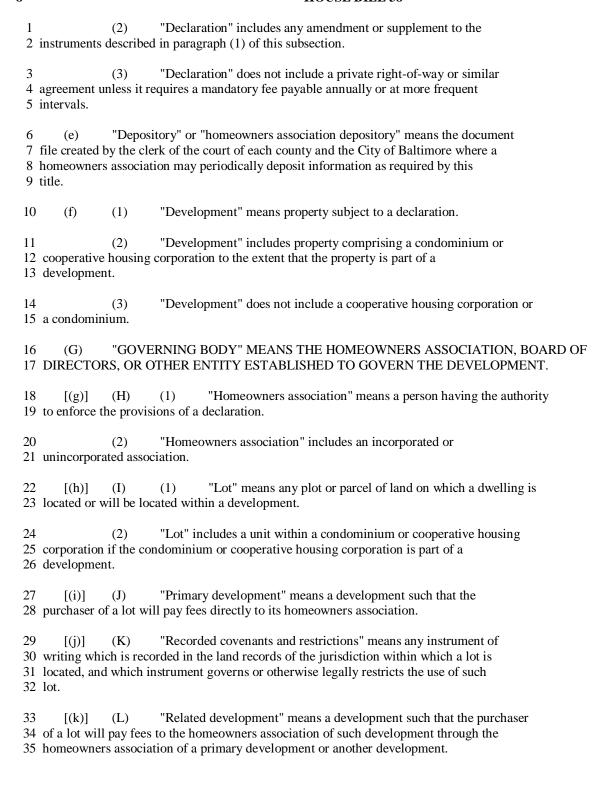
- 1 [(p)] (Q) "Unit owner" means the person, or combination of persons, who hold
- 2 legal title to a unit. A mortgagee or a trustee designated under a deed of trust, as
- 3 such, may not be deemed a unit owner.
- 4 11-108.
- 5 (a) [The] SUBJECT TO THE PROVISIONS OF SUBSECTION (C) OF THIS
- 6 SECTION, 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) 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.

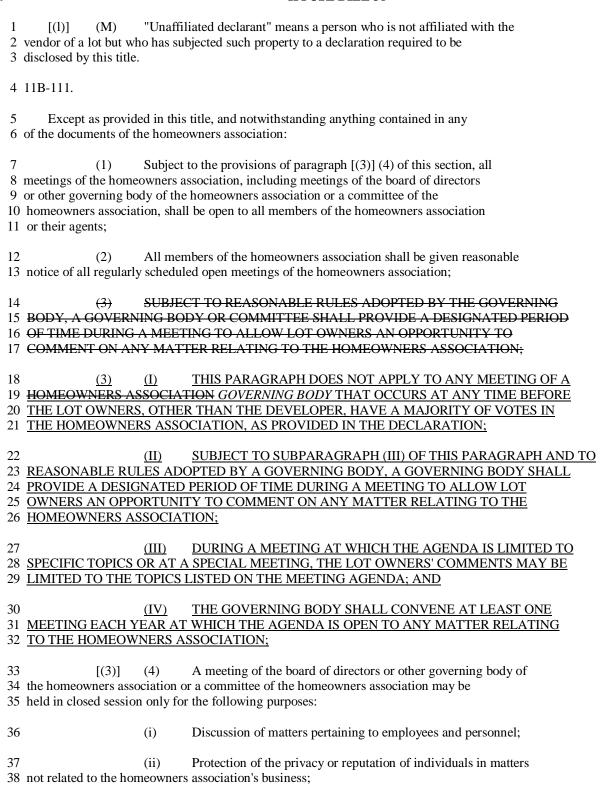




40 INFORMATION AND CIRCULATES PETITIONS TO UNIT OWNERS.

- 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) "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.





36 ASSOCIATION.

1		(iii)	Consultation with legal counsel;	
2 3	other persons in conne	(iv) ection wi	Consultation with staff personnel, consultants, attorneys, or th pending or potential litigation;	
4 5	misconduct;	(v)	Investigative proceedings concerning possible or actual criminal	
	transaction in the nege economic interests of		Consideration of the terms or conditions of a business tage if the disclosure could adversely affect the eowners association;	
	judicially imposed re public disclosure; or	(vii) quiremer	Compliance with a specific constitutional, statutory, or at protecting particular proceedings or matters from	
	the board or committ		On an individually recorded affirmative vote of two-thirds of ers present, some other exceptional reason so general public policy in favor of open meetings; and	
15 16	[(4)] of this section:	(5)	If a meeting is held in closed session under paragraph [(3)] (4)	
17 18	if it is not permitted b	(i) by paragr	An action may not be taken and a matter may not be discussed aph [(3)] (4) of this section; and	
21 22	(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.			
24	11B-111.2.			
27 28 29	DECLARATION, O ASSOCIATION MA OR CIRCULATING	R A PRO Y NOT I PETITIO	COVENANT OR RESTRICTION, A PROVISION IN A VISION OF THE BYLAWS OR RULES OF A HOMEOWNERS RESTRICT LOT OWNERS FROM DISTRIBUTING INFORMATION ONS TO OTHER LOT OWNERS REGARDING THE OPERATION ING TO THE OPERATION OF THE HOMEOWNERS	
		COMMC	COMMON AREAS AND IN ANY BUILDING OR FACILITY ON AREAS, SUBJECT TO REASONABLE RULES CONCERNING ER ADOPTED BY THE GOVERNING BODY; AND	
34 35	\ /		MANNER THAT A GOVERNING BODY DISTRIBUTES ULATES PETITIONS TO MEMBERS OF THE HOMEOWNERS	

- 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.

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