

HOUSE BILL 38

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SB 769/97 - JPR

1998 Regular Session
8lr0049
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(PRE-FILED)

By: ~~Delegates Kach and Kagan~~ Kach, Kagan, and O'Donnell

Requested: July 14, 1997

Introduced and read first time: January 14, 1998

Assigned to: Economic Matters

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 3, 1998

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~~ 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 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,
18 Article - Real Property
19 Section 11-101, 11-108, 11-109(c), 11B-101, and 11B-111
20 Annotated Code of Maryland
21 (1996 Replacement Volume and 1997 Supplement)

22 BY adding to
23 Article - Real Property
24 Section 11-111.2, 11B-111.2, and 11B-111.3

1 Annotated Code of Maryland
2 (1996 Replacement Volume and 1997 Supplement)

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

5 **Article - Real Property**

6 11-101.

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

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

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

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

14 [(1)] (2) "Limited common elements" means those common elements
15 identified in the declaration or on the condominium plat as reserved for the exclusive
16 use of one or more but less than all of the unit owners.

17 [(2)] (3) "General common elements" means all the common elements
18 except the limited common elements.

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

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

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

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

27 (H) "GOVERNING BODY" MEANS ~~THE COUNCIL OF UNIT OWNERS, BOARD OF~~
28 ~~DIRECTORS, OR OTHER ENTITY ESTABLISHED TO GOVERN THE CONDOMINIUM THE~~
29 COUNCIL OF UNIT OWNERS, BOARD OF DIRECTORS, ANY COMMITTEE OF THE
30 COUNCIL OF UNIT OWNERS OR BOARD OF DIRECTORS, OR THOSE OFFICERS,
31 MANAGING AGENTS, OR OTHER PERSONS TO WHOM AUTHORITY IS DELEGATED IN
32 ACCORDANCE WITH § 11-109(B) OF THIS TITLE.

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

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

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

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

6 (2) Pack and unpack personal property;

7 (3) Disconnect and install personal property;

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

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

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

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

15 [(m)] (N) "Property" means unimproved land, land together with
16 improvements thereon, improvements without the underlying land, or riparian or
17 littoral rights associated with land. Property may consist of noncontiguous parcels or
18 improvements.

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

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

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

29 11-108.

30 (a) [The] SUBJECT TO THE PROVISIONS OF SUBSECTION (C) OF THIS
31 SECTION, THE common elements may be used only for the purposes for which they
32 were intended and, except as provided in the declaration, the common elements shall
33 be subject to mutual rights of support, access, use, and enjoyment by all unit owners.
34 However, subject to the provisions of subsection (b) of this section, any portion of the
35 common elements designated as limited common elements shall be used only by the

1 unit owner of the unit to which their use is limited in the declaration or condominium
2 plat.

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

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

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

17 (2) SUBJECT TO REASONABLE RULES ADOPTED BY THE GOVERNING
18 BODY UNDER § 11-111 OF THIS SUBTITLE, UNIT OWNERS MAY MEET FOR THE
19 PURPOSE OF CONSIDERING AND DISCUSSING THE OPERATION OF AND MATTERS
20 RELATING TO THE OPERATION OF THE CONDOMINIUM IN ANY COMMON ELEMENTS
21 OR IN ANY BUILDING OR FACILITY IN THE COMMON ELEMENTS THAT THE
22 GOVERNING BODY OF THE CONDOMINIUM USES FOR SCHEDULED MEETINGS.

23 11-109.

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

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

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

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

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

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

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

6 (7) (I) THIS PARAGRAPH DOES NOT APPLY TO ANY MEETING OF THE
7 COUNCIL OF UNIT OWNERS THAT OCCURS AT ANY TIME BEFORE THE MEETING AT
8 WHICH THE UNIT OWNERS ELECT OFFICERS OR A BOARD OF DIRECTORS IN
9 ACCORDANCE WITH PARAGRAPH (16) OF THIS SUBSECTION.

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

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

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

21 [(7)] (8) Unless the bylaws provide otherwise, a quorum is deemed
22 present throughout any meeting of the council of unit owners if persons entitled to
23 cast 25 percent of the total number of votes appurtenant to all units are present in
24 person or by proxy.

25 [(8)] (9) At meetings of the council of unit owners each unit owner shall
26 be entitled to cast the number of votes appurtenant to his unit. Unit owners may vote
27 by proxy, but, the proxy is effective only for a maximum period of 180 days following
28 its issuance, unless granted to a lessee or mortgagee.

29 [(9)] (10) Any proxy may be revoked at any time at the pleasure of the
30 unit owner or unit owners executing the proxy.

31 [(10)] (11) A proxy who is not appointed to vote as directed by a unit owner
32 may only be appointed for purposes of meeting quorums and to vote for matters of
33 business before the council of unit owners, other than an election of officers and
34 members of the board of directors.

35 [(11)] (12) Only a unit owner voting in person or a proxy voting for
36 candidates designated by a unit owner may vote for officers and members of the board
37 of directors.

38 [(12)] (13) Unless otherwise provided in the bylaws, a unit owner may
39 nominate himself or any other person to be an officer or member of the board of
40 directors. A call for nominations shall be sent to all unit owners not less than 45 days

1 before notice of an election is sent. Only nominations made at least 15 days before
 2 notice of an election shall be listed on the election ballot. Candidates shall be listed on
 3 the ballot in alphabetical order, with no indicated candidate preference. Nominations
 4 may be made from the floor at the meeting at which the election to the board is held.

5 [(13)] (14) Election materials prepared with funds of the council of unit
 6 owners shall list candidates in alphabetical order and may not indicate a candidate
 7 preference.

8 [(14)] (15) Unless otherwise provided in this title, and subject to provisions
 9 in the bylaws requiring a different majority, decisions of the council of unit owners
 10 shall be made on a majority of votes of the unit owners listed on the current roster
 11 present and voting.

12 [(15)] (16) A meeting of the council of unit owners shall be held within 60
 13 days from the date that units representing 50 percent of the votes in the
 14 condominium have been conveyed by the developer to the initial purchasers of units
 15 to elect officers or a board of directors for the council of unit owners, as provided in
 16 the condominium declaration or bylaws.

17 11-111.2.

18 (A) ~~A RECORDED COVENANT OR RESTRICTION, A PROVISION IN A~~
 19 ~~DECLARATION, OR A PROVISION OF THE BYLAWS OR RULES OF A CONDOMINIUM MAY~~
 20 ~~NOT RESTRICT A UNIT OWNER FROM DISTRIBUTING INFORMATION OR CIRCULATING~~
 21 ~~PETITIONS TO OTHER UNIT OWNERS REGARDING THE OPERATION OF AND MATTERS~~
 22 ~~RELATING TO THE OPERATION OF THE CONDOMINIUM.~~

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

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

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

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

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

37 (B) IN THIS SECTION, THE DOOR-TO-DOOR DISTRIBUTION OF ANY OF THE
 38 FOLLOWING INFORMATION OR MATERIALS MAY NOT BE CONSIDERED A
 39 DISTRIBUTION FOR PURPOSES OF DETERMINING THE MANNER IN WHICH A

1 GOVERNING BODY DISTRIBUTES INFORMATION OR MATERIALS UNDER THIS
2 SECTION:

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

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

7 (C) EXCEPT FOR REASONABLE RESTRICTIONS TO THE TIME OF DISTRIBUTION,
8 A RECORDED COVENANT OR RESTRICTION, A PROVISION IN A DECLARATION, OR A
9 PROVISION OF THE BYLAWS OR RULES OF A CONDOMINIUM MAY NOT RESTRICT A
10 UNIT OWNER FROM DISTRIBUTING WRITTEN INFORMATION OR MATERIALS
11 REGARDING THE OPERATION OF OR MATTERS RELATING TO THE OPERATION OF THE
12 CONDOMINIUM IN ANY MANNER OR PLACE THAT THE GOVERNING BODY
13 DISTRIBUTES WRITTEN INFORMATION OR MATERIALS.

14 11B-101.

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

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

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

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

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

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

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

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

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

4 (3) "Development" does not include a cooperative housing corporation or
5 a condominium.

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

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

10 (2) "Homeowners association" includes an incorporated or
11 unincorporated association.

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

14 (2) "Lot" includes a unit within a condominium or cooperative housing
15 corporation if the condominium or cooperative housing corporation is part of a
16 development.

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

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

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

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

29 11B-111.

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

32 (1) Subject to the provisions of paragraph [(3)] (4) of this section, all
33 meetings of the homeowners association, including meetings of the board of directors
34 or other governing body of the homeowners association or a committee of the
35 homeowners association, shall be open to all members of the homeowners association
36 or their agents;

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

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

7 (3) (I) THIS PARAGRAPH DOES NOT APPLY TO ANY MEETING OF A
8 HOMEOWNERS ASSOCIATION THAT OCCURS AT ANY TIME BEFORE THE LOT OWNERS,
9 OTHER THAN THE DEVELOPER, HAVE A MAJORITY OF VOTES IN THE HOMEOWNERS
10 ASSOCIATION, AS PROVIDED IN THE DECLARATION;

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

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

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

22 [(3)] (4) A meeting of the board of directors or other governing body of
23 the homeowners association or a committee of the homeowners association may be
24 held in closed session only for the following purposes:

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

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

28 (iii) Consultation with legal counsel;

29 (iv) Consultation with staff personnel, consultants, attorneys, or
30 other persons in connection with pending or potential litigation;

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

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

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

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

7 [(4)] (5) If a meeting is held in closed session under paragraph [(3)] (4)
 8 of this section:

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

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

16 11B-111.2.

17 ~~(A) A RECORDED COVENANT OR RESTRICTION, A PROVISION IN A
 18 DECLARATION, OR A PROVISION OF THE BYLAWS OR RULES OF A HOMEOWNERS
 19 ASSOCIATION MAY NOT RESTRICT LOT OWNERS FROM DISTRIBUTING INFORMATION
 20 OR CIRCULATING PETITIONS TO OTHER LOT OWNERS REGARDING THE OPERATION
 21 OF AND MATTERS RELATING TO THE OPERATION OF THE HOMEOWNERS
 22 ASSOCIATION:~~

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

26 ~~(2) IN ANY MANNER THAT A GOVERNING BODY DISTRIBUTES
 27 INFORMATION AND CIRCULATES PETITIONS TO MEMBERS OF THE HOMEOWNERS
 28 ASSOCIATION:~~

29 ~~(B) THE COSTS OF DUPLICATION, DISTRIBUTION, OR REMOVAL OF MATERIALS
 30 PREPARED BY A LOT OWNER SHALL BE THE RESPONSIBILITY OF THOSE
 31 DISTRIBUTING THE INFORMATION OR CIRCULATING THE PETITIONS:~~

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

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

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

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

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

9 (C) EXCEPT FOR REASONABLE RESTRICTIONS TO THE TIME OF DISTRIBUTION,
10 A RECORDED COVENANT OR RESTRICTION, A PROVISION IN A DECLARATION, OR A
11 PROVISION OF THE BYLAWS OR RULES OF A HOMEOWNERS ASSOCIATION MAY NOT
12 RESTRICT A LOT OWNER FROM DISTRIBUTING WRITTEN INFORMATION OR
13 MATERIALS REGARDING THE OPERATION OF OR MATTERS RELATING TO THE
14 OPERATION OF THE HOMEOWNERS ASSOCIATION IN ANY MANNER OR PLACE THAT
15 THE GOVERNING BODY DISTRIBUTES WRITTEN INFORMATION OR MATERIALS.

16 11B-111.3.

17 ~~SUBJECT TO REASONABLE RULES ADOPTED BY THE GOVERNING BODY, ALL LOT~~
18 ~~OWNERS MAY ASSEMBLE IN THE COMMON AREAS OR IN ANY BUILDING OR FACILITY~~
19 ~~IN THE COMMON AREAS FOR THE PURPOSE OF CONSIDERING AND DISCUSSING THE~~
20 ~~OPERATION OF AND MATTERS RELATING TO THE OPERATION OF THE HOMEOWNERS~~
21 ~~ASSOCIATION.~~

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

26 (B) SUBJECT TO REASONABLE RULES ADOPTED BY THE GOVERNING BODY,
27 LOT OWNERS MAY MEET FOR THE PURPOSE OF CONSIDERING AND DISCUSSING THE
28 OPERATION OF AND MATTERS RELATING TO THE OPERATION OF THE HOMEOWNERS
29 ASSOCIATION IN ANY COMMON AREAS OR IN ANY BUILDING OR FACILITY IN THE
30 COMMON AREAS THAT THE GOVERNING BODY OF THE HOMEOWNERS ASSOCIATION
31 USES FOR SCHEDULED MEETINGS.

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

