**Unofficial Copy** N1

1998 Regular Session (8lr0160)

## ENROLLED BILL

-- Judicial Proceedings/Economic Matters --

Introd	duced by Senators Roesser and Forehand Roesser, Forehand, and Green				
	Read and Examined by Proofreaders:				
		Proofreader.			
	d with the Great Seal and presented to the Governor, for his approval thisday of at o'clock,M.	Proofreader.			
		President.			
	CHAPTER				
1 A	AN ACT concerning				
2	Condominiums and Homeowners Associations - Rights and Restrictions				
4 5 6	FOR the purpose of authorizing condominium unit owners and homeowners association lot owners to assemble meet in certain areas for certain purposes and under certain circumstances; requiring certain governing bodies or committees of condominiums and homeowners associations to designate a period				
7 8 9	matters requiring certain governing bodies and committees of condominiums to allow unit owners to comment on certain matters during certain meetings.				
10 11 12 13	subject to certain rules; requiring certain governing bodies and committees of homeowners associations to allow property lot owners to comment on certain matters during certain meetings, subject to certain rules; authorizing unit 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				

17 BY repealing and reenacting, with amendments,

homeowners association lot owners.

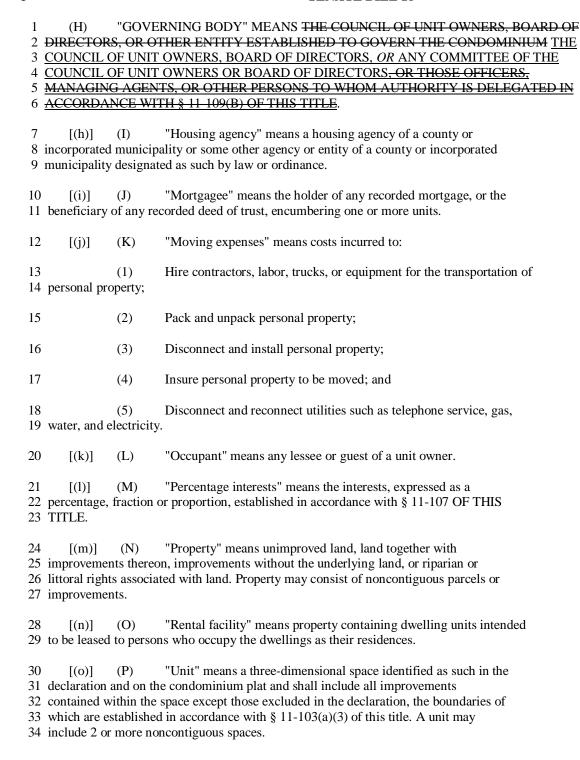
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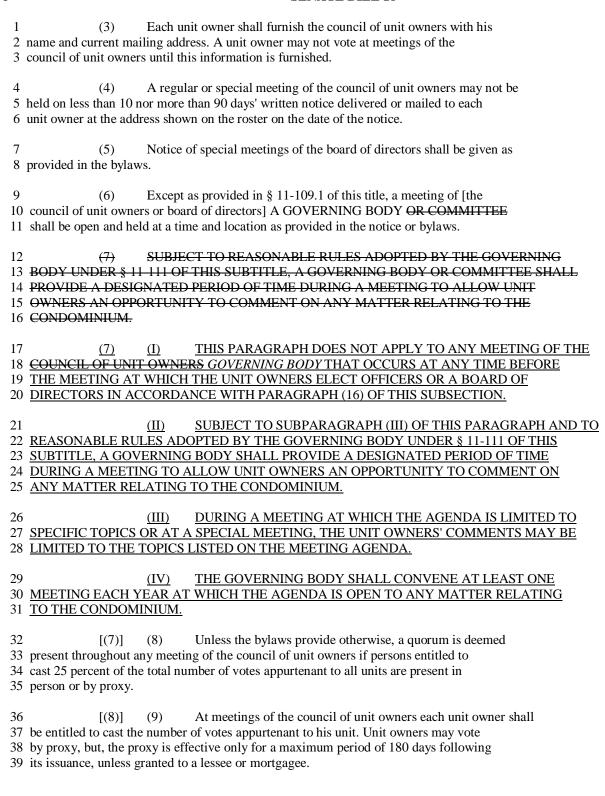
33 condominium regime established by this title.

**SENATE BILL 18** 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.

"Developer" means any person who subjects his property to the

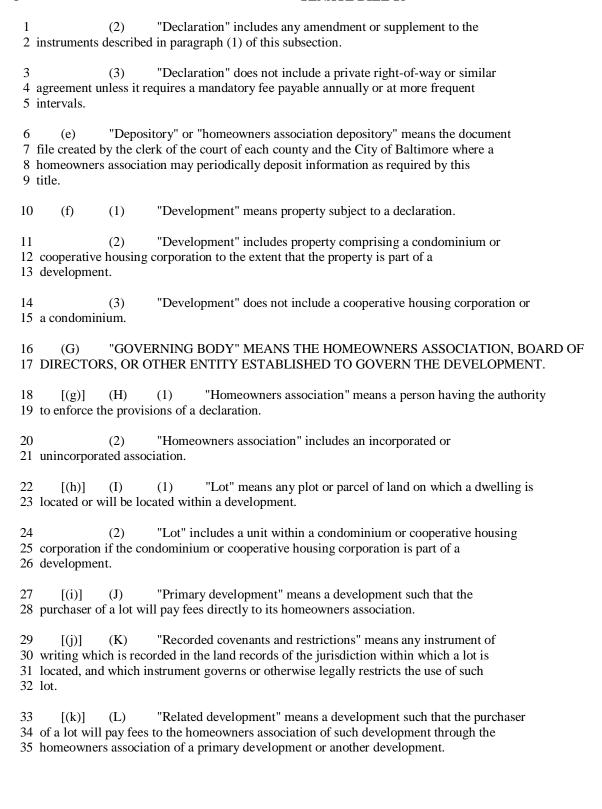


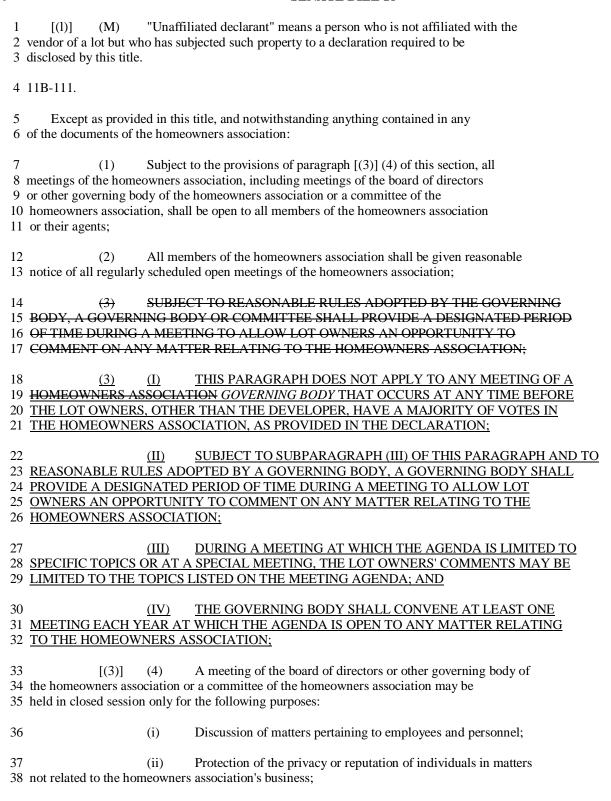
- 1 [(p)] (Q) "Unit owner" means the person, or combination of persons, who hold
- 2 legal title to a unit. A mortgagee or a trustee designated under a deed of trust, as
- 3 such, may not be deemed a unit owner.
- 4 11-108.
- 5 (a) [The] SUBJECT TO THE PROVISIONS OF SUBSECTION (C) OF THIS
- 6 SECTION,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



1 [(9)]Any proxy may be revoked at any time at the pleasure of the (10)2 unit owner or unit owners executing the proxy. 3 (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 Election materials prepared with funds of the council of unit [(13)](14)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 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 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) "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	(	(iii)	Consultation with legal counsel;
2 3		(iv) ction wit	Consultation with staff personnel, consultants, attorneys, or th pending or potential litigation;
4 5	misconduct;	(v)	Investigative proceedings concerning possible or actual criminal
			Consideration of the terms or conditions of a business tage if the disclosure could adversely affect the sowners association;
	,	(vii) uiremen	Compliance with a specific constitutional, statutory, or t protecting particular proceedings or matters from
	the board or committee		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	`	(i) / paragra	An action may not be taken and a matter may not be discussed aph [(3)] (4) of this section; and
21 22	the record of the vote of closed, and the authori	ty under t meetin	A statement of the time, place, and purpose of a closed meeting, board or committee member by which the meeting was this section for closing a meeting shall be included in g of the board of directors or the committee of the
24	11B-111.2.		
27 28 29	DECLARATION, OR ASSOCIATION MAY OR CIRCULATING F	A PRO NOT F ETITIC	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
	LOCATED IN THE C	OMMO	COMMON AREAS AND IN ANY BUILDING OR FACILITY ON AREAS, SUBJECT TO REASONABLE RULES CONCERNING ER ADOPTED BY THE GOVERNING BODY; AND
	( )		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.