

Department of Legislative Services
Maryland General Assembly
2003 Session

FISCAL AND POLICY NOTE
Revised

Senate Bill 258

(Senator Green, *et al.*)

Judicial Proceedings

Environmental Matters

Maryland Condominium Act - Meetings of Council of Unit Owners - Quorum

This bill authorizes an additional meeting of the council of unit owners of a condominium to be called if the number of persons present, in person or by proxy, at a properly called meeting is insufficient to constitute a quorum and: (1) the original meeting's notice stated that an additional meeting might be called; and (2) the unit owners present call for an additional meeting by majority vote. Fifteen days' notice of the time, place, and purpose of the additional meeting must be delivered or mailed to each unit owner at the address shown on the council of unit owners' roster. The notice must state the quorum and voting rules for the additional meeting. At the additional meeting, the unit owners present in person or by proxy constitute a quorum. Unless the bylaws provide otherwise, a majority of the owners at the meeting may approve or authorize the proposed action and may take any other action that could have been taken at the original meeting if a sufficient number of unit owners had been present. The bill does not affect the percentage of votes required to amend the declaration or bylaws, or to take any other action requiring a specified percentage of votes.

The bill is effective July 1, 2003.

Fiscal Summary

State Effect: The bill would not directly affect governmental operations or finances.

Local Effect: None.

Small Business Effect: Minimal.

Analysis

Current Law: Unless the bylaws provide otherwise, a quorum of a condominium's council of unit owners is deemed present throughout a meeting if persons entitled to at least 25% of the total number of votes entitled to be cast are present in person or by proxy. The council of unit owners must keep a roster of the names and addresses of each owner to whom notices of meetings must be sent.

For a nonstock corporation, if the number of members present at a properly called meeting is insufficient to approve a proposed action, another meeting may be called for the same purpose if: (1) the original meeting's notice stated that an additional meeting might be called; and (2) the members present call for an additional meeting by majority vote. Fifteen days' notice of the time, place, and purpose of the meeting must be given by advertisement in a newspaper published in the county in which the principal office of the corporation is located. The notice must state the quorum and voting rules for the additional meeting. At the additional meeting, the members present in person or by proxy constitute a quorum. A majority of the members at the meeting may approve or authorize the proposed action and may take any other action that could have been taken at the original meeting if a sufficient number of members had been present.

Background: Some councils of unit owners are organized as nonstock corporations and may take advantage of the additional meeting provision applicable to nonstock corporations.

Additional Information

Prior Introductions: None.

Cross File: None.

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

Fiscal Note History: First Reader - February 5, 2003
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