

Department of Legislative Services  
Maryland General Assembly  
2004 Session

FISCAL AND POLICY NOTE

Senate Bill 567

(Senator Green, *et al.*)

Judicial Proceedings

Environmental Matters

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Cooperative Housing Corporations, Condominiums, and Homeowners  
Associations - Books and Records

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This bill makes changes to the book and record keeping requirements for cooperative housing corporations, condominiums, and homeowners associations.

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Fiscal Summary

**State Effect:** General fund expenditures could increase minimally in FY 2005 to cover printing and postage costs incurred by the Office of the Secretary of State to prepare, print, and send booklets that explain the Maryland Condominium Act. Revenues would not be affected.

**Local Effect:** None.

**Small Business Effect:** None.

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Analysis

**Bill Summary:** The bill requires all books and records kept by or on behalf of a cooperative housing corporation to be made available for examination and copying by a member, a member's mortgagee, and their agents or attorneys during normal business hours, after reasonable notice.

For both cooperative housing corporations and condominiums, the bill authorizes books and records to be withheld from public inspection to the extent that they concern: (1) personnel records; (2) an individual's medical or financial records; (3) records relating to business transactions that are currently in negotiation; (4) written advice of legal counsel; or (5) minutes of a closed meeting of the governing body. The bill also authorizes a

reasonable charge on a person who desires to review or copy the books and records of a cooperative housing corporation or condominium.

The bill adds the minutes of a closed meeting of the governing body to the books and records that a homeowner's association may withhold from public inspection.

**Current Law:** Generally, books and records kept on behalf of a homeowner's association must be made available for examination and copying by a lot owner or an owner's mortgagee, and their respective agents or attorneys, during normal business hours, after reasonable notice. Books and records kept on a homeowner's association's behalf may be withheld from public inspection to the extent that they concern: (1) personnel records; (2) an individual's medical or financial records; (3) records relating to business transactions that are currently in negotiation; or (4) written advice of legal counsel. A homeowner's association may impose a reasonable charge on a person who desires to review or copy the books and records.

Every record kept by a condominium's council of unit owners must be maintained in the State or within 50 miles of its borders and must be available at a designated place within the county where the condominium is located for examination and copying by a unit owner or the unit owner's mortgagee, and their respective agents or attorneys, during normal business hours, after reasonable notice.

Although a cooperative housing corporation must keep books and records of its accounts and transactions, no provision specifically governs the examination and copying of those books and records.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** HB 879 (Delegate Bobo, *et al.*) – Environmental Matters.

**Information Source(s):** Department of Assessments and Taxation, Office of the Secretary of State, Department of Legislative Services

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