### By: **Delegate Holmes** Introduced and read first time: February 11, 2005 Assigned to: Environmental Matters

# A BILL ENTITLED

### 1 AN ACT concerning

2

## **Condominiums and Homeowners Associations - Meetings**

3 FOR the purpose of clarifying who may attend open meetings of a governing body of a

4 condominium or homeowners association; requiring that notice of a meeting of a

5 governing body be given a certain number of days before the meeting; providing

6 an exception for emergency meetings; requiring that a meeting notice include

7 the agenda of matters to be discussed at the meeting; providing for the manner 8 of giving notice; requiring that certain documents be made available before and

9 during a meeting; requiring the minutes of a meeting to include certain

9 during a meeting, requiring the minutes of a meeting to include certain
 10 information, requiring the minutes of a meeting to be posted or mode quailable

10 information; requiring the minutes of a meeting to be posted or made available

11 for inspection at a certain location; requiring that unit owners and lot owners be

12 given an opportunity to comment on certain agenda items; clarifying the

13 restrictions on comments that may be adopted by a governing body; establishing 14 that all lot owners are members of a homeowners association and have certain

rights; altering a definition; making technical and stylistic changes; and

16 generally relating to meetings of governing bodies of condominiums and

17 homeowners associations.

18 BY repealing and reenacting, without amendments,

- 19 Article Real Property
- 20 Section 11-109(c)(1) through (5)
- 21 Annotated Code of Maryland
- 22 (2003 Replacement Volume and 2004 Supplement)
- 23 BY repealing and reenacting, with amendments,
- 24 Article Real Property
- 25 Section 11-109(c)(6) and (7), 11B-101(h), and 11B-111
- 26 Annotated Code of Maryland
- 27 (2003 Replacement Volume and 2004 Supplement)
- 28 BY adding to
- 29 Article Real Property
- 30 Section 11B-110.1
- 31 Annotated Code of Maryland

## **UNOFFICIAL COPY OF HOUSE BILL 1084**

1 (2003 Replacement Volume and 2004 Supplement) 2 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF 3 MARYLAND, That the Laws of Maryland read as follows: 4 **Article - Real Property** 5 11-109. A meeting of the council of unit owners or board of directors may not 6 (1)(c) 7 be held on less notice than required by this section. 8 (2)The council of unit owners shall maintain a current roster of names 9 and addresses of each unit owner to which notice of meetings of the board of directors 10 shall be sent at least annually. 11 (3) Each unit owner shall furnish the council of unit owners with his 12 name and current mailing address. A unit owner may not vote at meetings of the 13 council of unit owners until this information is furnished. 14 A regular or special meeting of the council of unit owners may not be (4)15 held on less than 10 nor more than 90 days': Written notice delivered or mailed to each unit owner at the 16 (i) 17 address shown on the roster on the date of the notice; or 18 (ii) Notice sent to each unit owner by electronic transmission, if the 19 requirements of § 11-139.1 of this subtitle are met. 20 (5) Notice of special meetings of the board of directors shall be given: 21 As provided in the bylaws; or (i) 22 If the requirements of § 11-139.1 of this subtitle are met, by (ii) 23 electronic transmission. 24 (6)(I) Except as provided in § 11-109.1 of this title, a meeting of a 25 governing body shall be open TO ATTENDANCE BY UNIT OWNERS, TENANTS, AND THEIR AGENTS and held at a time and location as provided in the notice or bylaws. 26 27 UNLESS THIS SUBTITLE OR THE BYLAWS PROVIDE FOR A (II) 1. 28 LONGER NOTICE PERIOD AND EXCEPT IN THE CASE OF AN EMERGENCY, NOTICE OF A 29 MEETING OF A GOVERNING BODY SHALL BE GIVEN AT LEAST 6 DAYS BEFORE THE 30 DATE OF THE MEETING. 31 2. EACH MEETING NOTICE SHALL STATE THE AGENDA OF 32 MATTERS TO BE DISCUSSED AT THE MEETING, INCLUDING PROPOSED CONTRACTS

33 AND ANY PROPOSED EXPENDITURES BEYOND THE APPROVED BUDGET.

2

3 UNOFFICIAL COPY OF HOUSE BILL 1084
13.IF THE COUNCIL OF UNIT OWNERS MAINTAINS A2WEBSITE, THE AGENDA SHALL ALSO BE POSTED ON THE WEBSITE.
3 (III) EXCEPT FOR CONFIDENTIAL DOCUMENTS, EACH DOCUMENT 4 TO BE DISCUSSED OR ACTED ON AT A MEETING SHALL BE:
51.AVAILABLE ON THE PROPERTY FOR REVIEW BY UNIT6OWNERS AT LEAST 3 DAYS BEFORE THE MEETING; AND
<ul><li>7 2. MADE AVAILABLE DURING THE MEETING TO</li><li>8 INDIVIDUALS ATTENDING THE MEETING.</li></ul>
9 (IV) 1. THE MINUTES OF A MEETING SHALL INCLUDE:
10A.SUMMARY STATEMENTS OF ANY SUBSTANTIVE11PARTICIPATION OF UNIT OWNERS; AND
<ul> <li>B. IF A SPECIAL MEETING IS HELD ON LESS NOTICE THAN</li> <li>REQUIRED UNDER THIS SUBSECTION BECAUSE OF AN EMERGENCY, THE REASON</li> <li>FOR THE SHORTER NOTICE PERIOD.</li> </ul>
152.A COPY OF THE APPROVED MINUTES SHALL BE POSTED16OR MADE AVAILABLE FOR INSPECTION AT A DESIGNATED CENTRAL LOCATION.
<ul> <li>17 (7) (i) This paragraph does not apply to any meeting of the governing</li> <li>18 body that occurs at any time before the meeting at which the unit owners elect</li> <li>19 officers or a board of directors in accordance with paragraph (16) of this subsection.</li> </ul>
<ul> <li>20 (ii) Subject to subparagraph (iii) of this paragraph and to</li> <li>21 reasonable rules AS TO NUMBER, DURATION, AND FREQUENCY OF COMMENTS</li> <li>22 adopted by the governing body under § 11-111 of this title, a governing body shall</li> <li>23 provide [a]:</li> </ul>
241.A designated period of time during a meeting to allow unit25owners an opportunity to comment on any matter relating to the condominium; AND
262.AN OPPORTUNITY FOR UNIT OWNERS TO COMMENT ON27EACH ITEM ON THE AGENDA BEFORE FINAL ACTION ON EACH ITEM.
<ul> <li>(iii) During a meeting at which the agenda is limited to specific</li> <li>topics or at a special meeting, the unit owners' comments may be limited to the topics</li> <li>listed on the meeting agenda.</li> </ul>
<ul> <li>31 (iv) The governing body shall convene at least one meeting each</li> <li>32 year at which the agenda is open to any matter relating to the condominium.</li> </ul>
33 11B-101.
<ul> <li>(h) "Governing body" means the homeowners association, board of directors, A</li> <li>COMMITTEE OF THE HOMEOWNERS ASSOCIATION OR BOARD OF DIRECTORS, or ANY</li> <li>other entity established to govern the development.</li> </ul>

## **UNOFFICIAL COPY OF HOUSE BILL 1084**

1 11B-110.1.

EXCEPT AS PROVIDED IN THIS TITLE, AND NOTWITHSTANDING ANYTHING
CONTAINED IN ANY OF THE DOCUMENTS OF THE HOMEOWNERS ASSOCIATION, ALL
LOT OWNERS SHALL BE MEMBERS OF THE HOMEOWNERS ASSOCIATION AND HAVE
ALL THE RIGHTS OF MEMBERS OF A NONSTOCK CORPORATION UNDER THE
CORPORATIONS AND ASSOCIATIONS ARTICLE.

7 11B-111.

8 (A) [Except] THE PROVISIONS OF THIS SECTION APPLY EXCEPT as provided 9 in this title, and notwithstanding anything contained in any of the documents of the 10 homeowners association[:].

(B) (1) Subject to the provisions of paragraph (4) of this [section]
SUBSECTION, all meetings of the homeowners association, including meetings of the
board of directors or other governing body of the homeowners association [or a
committee of the homeowners association], shall be open to all members of the

15 homeowners association [or], TENANTS, AND their agents[;].

16 (2) (I) All members of the homeowners association shall be given 17 [reasonable] AT LEAST 6 DAYS' notice of THE TIME, LOCATION, AND AGENDA OF all 18 regularly scheduled open meetings of [the homeowners association] A GOVERNING 19 BODY AND THE DOCUMENTS TO BE CONSIDERED AT A MEETING.

(II) 1. A. EXCEPT AS PROVIDED IN SUBSUBPARAGRAPHS 2 AND
3 OF THIS SUBPARAGRAPH, EACH MEETING NOTICE AND AGENDA OF THE MEETING
SHALL BE PLACED OR POSTED IN A DESIGNATED CENTRAL LOCATION OR IN OTHER
DESIGNATED LOCATIONS IN THE DEVELOPMENT AT LEAST 6 DAYS BEFORE THE
DATE OF THE MEETING.

B. IF THE HOMEOWNERS ASSOCIATION MAINTAINS A
WEBSITE, THE MEETING NOTICE AND AGENDA SHALL ALSO BE POSTED ON THE
WEBSITE.

28 2. NOTICE OF AN EMERGENCY MEETING SHALL BE GIVEN AS29 REQUIRED IN THE BYLAWS.

30
 3. IF THE DEVELOPMENT CONTAINS AT LEAST 13,000 ACRES
 31 OF LAND AND HAS A POPULATION OF AT LEAST 80,000, EACH MEETING NOTICE AND
 32 AGENDA OF THE MEETING SHALL BE PUBLISHED IN A NEWSPAPER OF GENERAL
 33 CIRCULATION IN THE AREA IN WHICH THE DEVELOPMENT IS LOCATED AT LEAST 7
 34 DAYS BEFORE THE DATE OF THE MEETING.

35 (III) EXCEPT FOR CONFIDENTIAL DOCUMENTS, EACH DOCUMENT
 36 TO BE DISCUSSED OR ACTED ON AT A MEETING SHALL BE:

AVAILABLE FOR REVIEW BY LOT OWNERS OR THEIR
 AGENTS AT LEAST 3 DAYS BEFORE A NONEMERGENCY MEETING; AND

4

5 UNO	FFICIAL COPY OF HOUSE BILL 1084
1 2 INDIVIDUALS ATTENDIN	2. MADE AVAILABLE DURING THE MEETING TO IG THE MEETING.
3 (IV)	1. THE MINUTES OF A MEETING SHALL INCLUDE:
4 5 PARTICIPATION OF LOT	A. SUMMARY STATEMENTS OF ANY SUBSTANTIVE OWNERS; AND
6 7 REQUIRED UNDER THIS 8 FOR THE SHORTER NOT	B. IF A SPECIAL MEETING IS HELD ON LESS NOTICE THAN SUBSECTION BECAUSE OF AN EMERGENCY, THE REASON CE PERIOD.
9 10 OR MADE AVAILABLE F	2. A COPY OF THE APPROVED MINUTES SHALL BE POSTED OR INSPECTION AT A DESIGNATED CENTRAL LOCATION.
	This paragraph does not apply to any meeting of a governing before the lot owners, other than the developer, have a eowners association, as provided in the declaration[;].
<ul> <li>14 (ii)</li> <li>15 reasonable rules AS TO NU</li> <li>16 governing body, a governing</li> </ul>	Subject to subparagraph (iii) of this paragraph and to MBER, TIME, AND FREQUENCY OF COMMENTS adopted by a g body shall provide [a]:
<ul><li>17</li><li>18 owners an opportunity to co</li><li>19 association; AND</li></ul>	1. A designated period of time during a meeting to allow lot mment on any matter relating to the homeowners
20 21 EACH ITEM ON THE AGI	2. AN OPPORTUNITY FOR LOT OWNERS TO COMMENT ON ENDA BEFORE FINAL ACTION ON EACH ITEM.
<ul><li>22 (iii)</li><li>23 topics or at a special meetin</li><li>24 listed on the meeting agenda</li></ul>	During a meeting at which the agenda is limited to specific g, the lot owners' comments may be limited to the topics [; and].
<ul> <li>25 (iv)</li> <li>26 year at which the agenda is</li> <li>27 association[;].</li> </ul>	The governing body shall convene at least one meeting each open to any matter relating to the homeowners
	eting of the board of directors or other governing body of the a committee of the homeowners association] may be held e following purposes:
31 (i)	Discussion of matters pertaining to employees and personnel;
32 (ii) 33 not related to the homeowne	Protection of the privacy or reputation of individuals in matters rs association's business;
34 (iii)	Consultation with legal counsel;
35(iv)36other persons in connection	Consultation with staff personnel, consultants, attorneys, or with pending or potential litigation;

#### **UNOFFICIAL COPY OF HOUSE BILL 1084**

1 2 misconduct;

6

(v) Investigative proceedings concerning possible or actual criminal

3 (vi) Consideration of the terms or conditions of a business 4 transaction in the negotiation stage if the disclosure could adversely affect the 5 economic interests of the homeowners association;

6 (vii) Compliance with a specific constitutional, statutory, or 7 judicially imposed requirement protecting particular proceedings or matters from 8 public disclosure; or

9 (viii) On an individually recorded affirmative vote of two-thirds of 10 the board or [committee] GOVERNING BODY members present, some other

11 exceptional reason so compelling as to override the general public policy in favor of 12 open meetings[; and].

13 (5) If a meeting is held in closed session under paragraph (4) of this 14 [section] SUBSECTION:

15 (i) An action may not be taken and a matter may not be discussed 16 if it is not permitted by paragraph (4) of this [section] SUBSECTION; and

17 (ii) A statement of the time, place, and purpose of a closed meeting,

18 the record of the vote of each board or [committee] GOVERNING BODY member by

19 which the meeting was closed, and the authority under this section for closing a

20 meeting shall be included in the minutes of the next meeting of the board of directors

21 or the [committee of the homeowners association] GOVERNING BODY.

22 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take 23 effect October 1, 2005.