

Department of Legislative Services
Maryland General Assembly
2005 Session

FISCAL AND POLICY NOTE

Senate Bill 698

(Senator Green, *et al.*)

Judicial Proceedings

Condominiums and Homeowners Associations -- Meetings

This bill alters various provisions, applicable to meetings of a condominium or a homeowners association, including the meeting notification requirements for a governing body.

Fiscal Summary

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

Local Effect: None.

Small Business Effect: Minimal.

Analysis

Bill Summary: For a condominium, the meeting of the governing body must be open to attendance by unit owners, tenants, and their agents. Unless a longer period is provided under the Maryland Condominium Act or the condominium's bylaws and except in the case of an emergency, notice of a meeting of the governing body must be given at least six days before the meeting date. The notice must state the meeting's agenda, including proposed contracts and any proposed expenditures beyond the approved budget. If the council of unit owners maintains a web site, the agenda must be posted on the web site. Except for confidential documents, each document to be discussed or acted on at a meeting must be: (1) available on the property for review by unit owners at least three days before the meeting; and (2) made available during the meeting to individuals who attend.

The minutes of a meeting must include: (1) summary statements of any substantive participation of unit owners; and (2) if a special meeting is held on less notice than otherwise required, the reason for the shorter notice period. A copy of the approved minutes must be posted or made available for inspection at a designated central location.

Subject to reasonable rules governing the number, duration, and frequency of comments, a condominium's governing body must provide an opportunity for unit owners to comment on each item on the agenda before final action on each item.

For a homeowners association, notwithstanding anything contained in any of its documents, all lot owners are members of the association and have all the rights of members of a nonstock corporation. Generally, a meeting of a homeowners association's governing body must be open to all members, tenants, and their agents. All members of the association must be given at least six days' notice of the time, location, and agenda of the governing body and the documents to be considered at the meeting.

Generally, each meeting notice and agenda must be placed or posted in a designated central location or in other designated locations in the development at least six days before the meeting date. If the association maintains a web site, the meeting notice and agenda must also be posted on the web site. Notice of an emergency meeting must be given as required in the bylaws. If the development contains at least 13,000 acres of land and has a population of at least 80,000, the meeting notice and agenda must be published in a newspaper of general circulation in the area in which the development is located at least seven days before the meeting date.

Except for confidential documents, each document to be discussed or acted on at a meeting must be: (1) available for review by lot owners or their agents at least three days before a nonemergency meeting; and (2) made available during the meeting to individuals who attend.

The minutes of a meeting must include: (1) summary statements of any substantive participation of lot owners; and (2) if a special meeting is held on less notice than otherwise required, the reason for the shorter notice period. A copy of the approved minutes must be posted or made available for inspection at a designated central location.

Current Law: At least 10 days' but not more than 90 days' written notice must be given for a regular or special meeting of a condominium's council of unit owners. The notice must be delivered or mailed to each unit owner at the address shown on the roster or sent by electronic transmission. Except when a closed session meeting of the board of directors is permitted, a meeting of a condominium's governing body must be open and held at a time and location as provided in the notice.

Generally, subject to reasonable rules adopted by the governing body, a governing body of a condominium must provide a designated period during a meeting to allow unit owners an opportunity to comment on any matter relating to the condominium. During a meeting at which the agenda is limited to specific topics or at a special meeting, the unit owners' comments may be limited to the topics on the meeting agenda.

A condominium's council of unit owners may be either incorporated as a nonstock corporation or unincorporated, and it is subject to the laws governing nonstock corporations, to the extent those laws are not inconsistent with the Maryland Condominium Act.

Generally, all meetings of a homeowners association, including meetings of the board of directors or other governing body or a committee of the homeowners association, must be open to all members of the association or their agents. All members of the association must be given reasonable notice of the regularly scheduled open meetings of the association.

Generally, subject to reasonable rules adopted by the governing body, a governing body of a homeowners association must provide a designated period during a meeting to allow lot owners an opportunity to comment on any matter relating to the association. During a meeting at which the agenda is limited to specific topics or at a special meeting, the lot owners' comments may be limited to the topics on the meeting agenda.

Additional Information

Prior Introductions: None.

Cross File: HB 1084 (Delegate Holmes) – Environmental Matters.

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

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mam/jr

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