

HOUSE BILL 36

N1, C1

71r0597

By: **Delegates McConkey, Boteler, Lawton, and Niemann**

Introduced and read first time: January 17, 2007

Assigned to: Environmental Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Home Financial Accountability Act of 2007**

3 FOR the purpose of clarifying the availability of certain books and records kept by or
4 on behalf of certain common ownership communities for certain purposes and to
5 certain persons; making a stylistic change; repealing protection from public
6 inspection for certain records; repealing the authority of certain common
7 ownership communities to impose a reasonable charge on a person desiring to
8 review certain books and records; and generally relating to access to the books
9 and records of cooperative housing associations, condominiums, and
10 homeowners associations.

11 BY repealing and reenacting, with amendments,
12 Article – Corporations and Associations
13 Section 5–6B–18.5
14 Annotated Code of Maryland
15 (1999 Replacement Volume and 2006 Supplement)

16 BY repealing and reenacting, with amendments,
17 Article – Real Property
18 Section 11–116(c) and (d) and 11B–112(a) and (b)
19 Annotated Code of Maryland
20 (2003 Replacement Volume and 2006 Supplement)

21 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
22 MARYLAND, That the Laws of Maryland read as follows:

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



Article – Corporations and Associations

5–6B–18.5.

(a) (1) Except as provided in paragraph (2) of this subsection, all books and records kept by or on behalf of a cooperative housing corporation shall be made available for examination [and] **OR** copying, **OR BOTH**, by a member, a member's mortgagee, [and] **OR** their respective duly authorized agents or attorneys, during normal business hours, and after reasonable notice.

(2) Books and records kept by or on behalf of a cooperative housing corporation may be withheld from public inspection to the extent that they concern:

(i) Personnel records;

(ii) An individual's medical records;

(iii) [An individual's financial records;

(iv)] Records relating to business transactions that are currently in negotiation; **OR**

[(v)] **(IV)** The written advice of legal counsel[; or

(vi) Minutes of a closed meeting of the board of directors or other governing body of the cooperative housing corporation].

(b) The cooperative housing corporation may impose a reasonable charge on a person desiring to [review or] copy the books and records.

Article – Real Property

11–116.

(c) (1) Except as provided in paragraph (2) of this subsection, all books and records, including insurance policies, kept by the council of unit owners shall be maintained in Maryland or within 50 miles of its borders and shall be available at some place designated by the council of unit owners within the county where the condominium is located for examination [and] **OR** copying, **OR BOTH**, by any unit owner, [his] **A UNIT OWNER'S** mortgagee, [and] **OR** their respective duly authorized agents or attorneys, during normal business hours, and after reasonable notice.

1 (2) Books and records kept by or on behalf of a council of unit owners
2 may be withheld from public inspection to the extent that they concern:

3 (i) Personnel records;

4 (ii) An individual's medical records;

5 (iii) [An individual's financial records;

6 (iv)] Records relating to business transactions that are currently
7 in negotiation; **OR**

8 [(v)] **(IV)** The written advice of legal counsel[; or

9 (vi) Minutes of a closed meeting of the board of directors or other
10 governing body of the council of unit owners].

11 (d) The council of unit owners may impose a reasonable charge upon a
12 person desiring to [review or] copy the books and records.

13 11B-112.

14 (a) (1) Subject to the provisions of paragraph (2) of this subsection, all
15 books and records kept by or on behalf of the homeowners association shall be made
16 available for examination [and] **OR** copying, **OR BOTH**, by a lot owner, a lot owner's
17 mortgagee, [and] **OR** their respective duly authorized agents or attorneys, during
18 normal business hours, and after reasonable notice.

19 (2) Books and records kept by or on behalf of a homeowners
20 association may be withheld from public inspection to the extent that they concern:

21 (i) Personnel records;

22 (ii) An individual's medical records;

23 (iii) [An individual's financial records;

24 (iv)] Records relating to business transactions that are currently
25 in negotiation; **OR**

26 [(v)] **(IV)** The written advice of legal counsel[; or

1 (vi) Minutes of a closed meeting of the governing body of the
2 homeowners association].

3 (b) The homeowners association may impose a reasonable charge upon a
4 person desiring to [review or] copy the books and records.

5 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
6 October 1, 2007.