

Department of Legislative Services
Maryland General Assembly
2007 Session

FISCAL AND POLICY NOTE
Revised

House Bill 36

(Delegate McConkey, *et al.*)

Environmental Matters

Judicial Proceedings

Home Financial Accountability Act of 2007

This bill alters provisions in the Maryland Cooperative Housing Corporation Act, the Maryland Condominium Act, and the Maryland Homeowners Association Act that authorize withholding books and records from public inspection.

Fiscal Summary

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

Local Effect: None. See above.

Small Business Effect: Minimal.

Analysis

Bill Summary: Books and records may be withheld from public inspection except for inspection by the person in interest to the extent the books or records concern:

- personnel records, not including specified information on compensation;
- an individual's medical records;
- an individual's personal financial records, including specified information;
- records relating to business transactions that are currently in negotiation;
- the written advice of legal counsel; or

- minutes of a closed meeting of the board of directors or other governing body, unless a majority of a quorum of the board or other governing body approves unsealing the minutes or a recording of the minutes for public inspection.

If a request is for a copy of financial statements or meeting minutes of the board of directors or other governing body of a cooperative housing corporation or condominium to be sent by mail, the requested information must be compiled and mailed within 10 days after receiving the request.

The bill repeals the authority of a board of directors or other governing body of a cooperative housing corporation, a condominium, or a homeowners association to charge a fee for the review of books and records. A fee for copying books and records must be reasonable and may not exceed the prevailing average charge by commercial copying services in the community.

Current Law: Generally, all books and records kept by or on behalf of a cooperative housing corporation, a condominium, or a homeowners association must be made available for examination or inspection during normal business hours and after reasonable notice. The books and records must be kept open to inspection to owners, mortgagees, and the agents or attorneys of owners or mortgagees.

Books and records may be withheld from public inspection the extent that they concern:

- personnel records;
- an individual's medical records;
- an individual's financial records;
- records relating to business transactions that are currently in negotiation;
- the written advice of legal counsel; or
- minutes of a closed meeting of the board of directors or other governing body.

A cooperative housing corporation, a condominium, or a homeowners association may impose a reasonable charge on a person desiring to review or copy the books and records.

Background: Chapter 469 of 2005 established the Task Force on Common Ownership Communities. The full task force met 10 times during 2006 and conducted 5 public hearings, at which public comments were solicited. In addition, subcommittees comprised of task force members met several times. The task force made several recommendations on various topics, including better information on the rights and responsibilities of living in a common ownership community. The task force did not specifically address the subject matter of this bill.

Additional Information

Prior Introductions: None.

Cross File: None.

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

Fiscal Note History: First Reader - January 29, 2007
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