

HOUSE BILL 486

N1

8lr1844

By: **Delegate Bobo**

Introduced and read first time: January 30, 2008

Assigned to: Environmental Matters

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 17, 2008

CHAPTER _____

1 AN ACT concerning

2 **Real Property – Homeowners Associations – Meetings**

3 FOR the purpose of altering ~~certain~~ the types of meetings of a homeowners association
4 that shall be open to all ~~members of~~ lot owners in the homeowners association
5 to include a meeting ~~called by another person or entity~~ at which a certain
6 quorum is present and that is not a regularly scheduled meeting but is called by
7 another person or entity to discuss ~~certain~~ matters relevant to the homeowners
8 association; making stylistic and conforming changes; and generally relating to
9 meetings of a homeowners association.

10 BY repealing and reenacting, without amendments,
11 Article – Real Property
12 Section 11B–101(a), (h), and (i)
13 Annotated Code of Maryland
14 (2003 Replacement Volume and 2007 Supplement)

15 BY repealing and reenacting, with amendments,
16 Article – Real Property
17 Section 11B–111
18 Annotated Code of Maryland
19 (2003 Replacement Volume and 2007 Supplement)

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

22 **Article – Real Property**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike-out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 11B-101.

2 (a) In this title the following words have the meanings indicated, unless the
3 context requires otherwise.

4 (h) "Governing body" means the homeowners association, board of directors,
5 or other entity established to govern the development.

6 (i) (1) "Homeowners association" means a person having the authority to
7 enforce the provisions of a declaration.

8 (2) "Homeowners association" includes an incorporated or
9 unincorporated association.

10 11B-111.

11 Except as provided in this title, and notwithstanding anything contained in any
12 of the documents of the homeowners association:

13 (1) Subject to the provisions of paragraph (4) of this section, all
14 meetings of the homeowners association **SHALL BE OPEN TO ALL ~~MEMBERS OF~~ LOT**
15 **OWNERS IN THE HOMEOWNERS ASSOCIATION OR THEIR AGENTS**, including
16 meetings:

17 (I) [of] **OF THE** board of directors or other governing body of
18 the homeowners association [or];

19 (II) **OF** a committee of the homeowners association[, shall be
20 open to all members of the homeowners association or their agents]; **OR**

21 (III) **1. AT WHICH A QUORUM OF THE BOARD OF**
22 **DIRECTORS OR OTHER GOVERNING BODY OF THE HOMEOWNERS ASSOCIATION,**
23 **OR OF A COMMITTEE OF THE HOMEOWNERS ASSOCIATION, IS PRESENT; AND**

24 **2. THAT ARE NOT REGULARLY SCHEDULED BUT ARE**
25 **CALLED BY ANOTHER PERSON OR ENTITY TO DISCUSS MATTERS RELEVANT TO**
26 **THE HOMEOWNERS ASSOCIATION;**

27 (2) All ~~members of~~ **LOT OWNERS IN** the homeowners association shall
28 be given reasonable notice of all regularly scheduled open meetings of the homeowners
29 association;

30 (3) (i) This paragraph does not apply to any meeting of a governing
31 body that occurs at any time before the lot owners, other than the developer, have a
32 majority of votes in the homeowners association, as provided in the declaration;

1 (ii) Subject to subparagraph (iii) of this paragraph and to
2 reasonable rules adopted by a governing body, a governing body shall provide a
3 designated period of time during a meeting to allow lot owners an opportunity to
4 comment on any matter relating to the homeowners association;

5 (iii) During a meeting at which the agenda is limited to specific
6 topics or at a special meeting, the lot owners' comments may be limited to the topics
7 listed on the meeting agenda; and

8 (iv) The governing body shall convene at least one meeting each
9 year at which the agenda is open to any matter relating to the homeowners
10 association;

11 (4) A meeting of the board of directors or other governing body of the
12 homeowners association or a committee of the homeowners association may be held in
13 closed session only for the following purposes:

14 (i) Discussion of matters pertaining to employees and
15 personnel;

16 (ii) Protection of the privacy or reputation of individuals in
17 matters not related to the homeowners association's business;

18 (iii) Consultation with legal counsel;

19 (iv) Consultation with staff personnel, consultants, attorneys, or
20 other persons in connection with pending or potential litigation;

21 (v) Investigative proceedings concerning possible or actual
22 criminal misconduct;

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

26 (vii) Compliance with a specific constitutional, statutory, or
27 judicially imposed requirement protecting particular proceedings or matters from
28 public disclosure; or

29 (viii) On an individually recorded affirmative vote of two-thirds of
30 the board or committee members present, some other exceptional reason so compelling
31 as to override the general public policy in favor of open meetings; and

32 (5) If a meeting is held in closed session under paragraph (4) of this
33 section:

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1 (i) An action may not be taken and a matter may not be
2 discussed if it is not permitted by paragraph (4) of this section; and

3 (ii) A statement of the time, place, and purpose of a closed
4 meeting, the record of the vote of each board or committee member by which the
5 meeting was closed, and the authority under this section for closing a meeting shall be
6 included in the minutes of the next meeting of the board of directors or the committee
7 of the homeowners association.

8 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
9 June 1, 2008.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.