

# HOUSE BILL 821

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By: **Delegates McConkey, Jennings, Shewell, and Weir**

Introduced and read first time: February 6, 2008

Assigned to: Environmental Matters

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## A BILL ENTITLED

1 AN ACT concerning

2 **Homeowners Associations – Meetings – Notice, Comment, and**  
3 **Documentation**

4 FOR the purpose of requiring certain meetings of a certain council of a homeowners  
5 association to be open to all lot owners of the homeowners association or their  
6 agents; requiring the governing body to give particularized notice of each  
7 regular and special open meeting of the governing body, a council, or committee  
8 of the homeowners association; requiring notice of each regular and special open  
9 meeting to be given at a certain time before each meeting and include certain  
10 information about the meeting; requiring notice to be sent to each lot owner of  
11 the homeowners association, placed or posted in a central location, or published  
12 in a certain newsletter and newspaper; requiring the governing body, a council,  
13 or committee of the homeowners association to provide copies of certain  
14 informational materials provided to the governing body on request to the lot  
15 owners of a homeowners association at certain times; requiring the governing  
16 body, a council, or committee of the homeowners association to approve certain  
17 minutes of meetings by certain times and make the minutes available to a lot  
18 owner who requests them; requiring an expenditure by a homeowners  
19 association to be voted on by the governing body, council, or committee in an  
20 open meeting; requiring the governing body, a council, or a committee to  
21 document the nature of certain expenditures and certain amounts approved;  
22 requiring the governing body, a council, or a committee to note the amount of a  
23 certain emergency expenditure in a certain addendum; requiring a governing  
24 body, council, or a committee of the homeowners association to provide certain  
25 periods of time during a meeting for comment by lot owners; limiting certain  
26 purposes that permit a meeting to be held in closed session; repealing certain  
27 purposes that permit a meeting to be held in closed session; clarifying  
28 information to be included in a certain statement in certain minutes; making  
29 certain stylistic changes; and generally relating to meetings of a homeowners  
30 association, its governing body, a council, or a committee of the homeowners  
31 association.

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 BY repealing and reenacting, with amendments,  
2 Article – Real Property  
3 Section 11B–111  
4 Annotated Code of Maryland  
5 (2003 Replacement Volume and 2007 Supplement)

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

8 **Article – Real Property**

9 11B–111.

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

12 (1) Subject to the provisions of paragraph (4) of this section, all  
13 meetings of the homeowners association, including meetings of the board of directors  
14 or other governing body of the homeowners association, **A COUNCIL**, or a committee of  
15 the homeowners association, shall be open to all [members] **LOT OWNERS** of the  
16 homeowners association or their agents;

17 (2) (I) [All members of the homeowners association shall be given  
18 reasonable notice of all regularly scheduled open meetings of the homeowners  
19 association] **THE GOVERNING BODY OF THE HOMEOWNERS ASSOCIATION SHALL  
20 GIVE PARTICULARIZED NOTICE OF EACH REGULAR AND SPECIAL OPEN MEETING  
21 OF THE GOVERNING BODY, A COUNCIL, OR COMMITTEE OF THE HOMEOWNERS  
22 ASSOCIATION;**

23 (II) **PARTICULARIZED NOTICE OF EACH REGULAR AND  
24 SPECIAL OPEN MEETING SHALL:**

25 1. **BE GIVEN AT LEAST 10 DAYS BEFORE EACH  
26 MEETING;**

27 2. **INCLUDE THE DATE, TIME, LOCATION, AND  
28 AGENDA OF THE MEETING; AND**

29 3. **A. BE SENT TO EACH LOT OWNER OF THE  
30 HOMEOWNERS ASSOCIATION;**

31 **B. BE PLACED OR POSTED IN A CENTRAL LOCATION;**  
32 **OR**

1                   **C. BE PUBLISHED IN THE HOMEOWNERS**  
2 **ASSOCIATION COMMUNITY NEWSLETTER, POSTED ON THE HOMEOWNERS**  
3 **ASSOCIATION'S WEBSITE, IF ANY, AND PUBLISHED IN A LOCAL NEWSPAPER OF**  
4 **GENERAL CIRCULATION;**

5                   **(III) THE GOVERNING BODY, COUNCIL, OR COMMITTEE OF**  
6 **THE HOMEOWNERS ASSOCIATION SHALL PROVIDE COPIES OF ALL**  
7 **INFORMATIONAL MATERIALS PROVIDED TO THE GOVERNING BODY, COUNCIL,**  
8 **OR COMMITTEE OF THE HOMEOWNERS ASSOCIATION RELATING TO THE ITEMS**  
9 **ON A MEETING AGENDA:**

10                   **1. TO LOT OWNERS OF THE HOMEOWNERS**  
11 **ASSOCIATION ON REQUEST, INCLUDING AT A MEETING OF A GOVERNING BODY**  
12 **FOR INDIVIDUALS ATTENDING THE MEETING; AND**

13                   **2. ON THE HOMEOWNERS ASSOCIATION WEBSITE, IF**  
14 **ANY, AT LEAST 10 DAYS BEFORE EACH MEETING;**

15                   **(IV) THE GOVERNING BODY, COUNCIL, OR COMMITTEE OF**  
16 **THE HOMEOWNERS ASSOCIATION SHALL APPROVE THE MINUTES OF EACH**  
17 **MEETING OF THE GOVERNING BODY, COUNCIL, OR COMMITTEE OF THE**  
18 **HOMEOWNERS ASSOCIATION NO LATER THAN THE NEXT MEETING, AND**  
19 **MINUTES OF OPEN MEETINGS AS WELL AS RELEASED MINUTES OF CLOSED**  
20 **MEETINGS SHALL BE TIMELY SENT TO A LOT OWNER WHO REQUESTS THEM,**  
21 **MADE AVAILABLE FOR PUBLIC INSPECTION AT A DESIGNATED COMMUNITY**  
22 **FACILITY, AND POSTED ON THE WEBSITE OF A HOMEOWNERS ASSOCIATION, IF**  
23 **ANY; AND**

24                   **(V) 1. AN EXPENDITURE BY THE HOMEOWNERS**  
25 **ASSOCIATION SHALL BE VOTED ON BY THE GOVERNING BODY, COUNCIL, OR**  
26 **COMMITTEE IN AN OPEN MEETING, ANNOUNCED, HELD, AND DOCUMENTED IN**  
27 **ACCORDANCE WITH THIS SECTION;**

28                   **2. THE GOVERNING BODY, COUNCIL, OR COMMITTEE**  
29 **OF THE HOMEOWNERS ASSOCIATION SHALL DOCUMENT THE NATURE OF THE**  
30 **EXPENDITURES AND AMOUNTS APPROVED IN THE MINUTES OF THAT MEETING;**  
31 **AND**

32                   **3. IF AN EMERGENCY REQUIRES APPROVAL OF AN**  
33 **EXPENDITURE WITHOUT THE NORMAL MEETING PROVISIONS OF THIS SECTION,**  
34 **THE GOVERNING BODY, COUNCIL, OR COMMITTEE OF THE HOMEOWNERS**  
35 **ASSOCIATION SHALL NOTE THE AMOUNT OF THE EMERGENCY EXPENDITURE IN**  
36 **AN ADDENDUM TO THE MINUTES OF THE NEXT SCHEDULED MEETING;**

1           (3) (i) This paragraph does not apply to [any] A meeting of a  
2 governing body, **COUNCIL, OR A COMMITTEE OF THE HOMEOWNERS ASSOCIATION**  
3 that occurs at any time before the lot owners, other than the developer, have a  
4 majority of votes in the homeowners association, as provided in the declaration;

5           (ii) Subject to subparagraph (iii) of this paragraph and to  
6 reasonable rules adopted by a governing body, **COUNCIL, OR A COMMITTEE OF THE**  
7 **HOMEOWNERS ASSOCIATION**, a governing body, **COUNCIL, OR A COMMITTEE OF**  
8 **THE HOMEOWNERS ASSOCIATION** shall provide [a designated period] **DESIGNATED**  
9 **PERIODS** of time during a meeting to allow lot owners an opportunity to comment on  
10 any matter relating to the homeowners association, **INCLUDING AN OPPORTUNITY**  
11 **TO COMMENT BEFORE EACH DISCUSSION OF AN ISSUE OR VOTE BY A**  
12 **GOVERNING BODY, COUNCIL, OR A COMMITTEE OF THE HOMEOWNERS**  
13 **ASSOCIATION;**

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

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

20           (4) A meeting of the board of directors or other governing body of the  
21 homeowners association, **A COUNCIL**, or a committee of the homeowners association  
22 may be held in closed session only for the following purposes:

23           (i) Discussion of matters pertaining to **SPECIFIC** employees  
24 [and personnel], **NOT INCLUDING AN ELECTED MEMBER OF THE GOVERNING**  
25 **BODY OR COUNCIL WHO HAS NOT REQUESTED A CLOSED SESSION;**

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

28           (iii)] Consultation with legal counsel **TO SEEK LEGAL ADVICE;**

29           [(iv)] **(III)** Consultation with staff personnel, consultants,  
30 attorneys, or other persons in connection with pending or potential litigation;

31           [(v)] **(IV)** Investigative proceedings concerning possible or  
32 actual criminal misconduct;

33           [(vi)] **(V)** Consideration of the terms or conditions of a business  
34 transaction in the negotiation stage if the disclosure could adversely affect the  
35 economic interests of the homeowners association;

1                    [(vii)] **(VI)** Compliance with a specific constitutional, statutory,  
2 or judicially imposed requirement protecting particular proceedings or matters from  
3 public disclosure; [or] **AND**

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

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

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

11                    (ii) A statement of the time, place, and purpose of a closed  
12 meeting, the record of the vote of each [board or committee] member **OF THE**  
13 **GOVERNING BODY, COUNCIL, OR COMMITTEE OF THE HOMEOWNERS**  
14 **ASSOCIATION** by which the meeting was closed, and the authority under  
15 **PARAGRAPH (4) OF** this section for closing a meeting shall be included in the minutes  
16 of the next meeting of the board of directors, **COUNCIL**, or the committee of the  
17 homeowners association.

18                    SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
19 October 1, 2008.