

Department of Legislative Services
Maryland General Assembly
2010 Session

FISCAL AND POLICY NOTE

House Bill 460 (Delegate McConkey, *et al.*)
Environmental Matters

Real Property - Condominium Bylaws - Surcharge on Assessments

This bill authorizes a condominium's bylaws to require the owner of a non-owner occupied or vacant unit to pay an additional 10% of the owner's prorated share of the condominium's common expenses. The bill does not apply to (1) a condominium in which the units are townhouses; or (2) a vacant condominium unit being prepared or offered for sale.

Fiscal Summary

State Effect: If the Consumer Protection Division of the Office of the Attorney General receives fewer than 50 complaints per year stemming from the bill, the additional workload can be handled with existing resources. Revenues are not affected.

Local Effect: The bill does not directly affect local finances or operations.

Small Business Effect: None.

Analysis

Current Law: Bylaws are the governing document of a condominium association and must be recorded with the condominium's public declaration. The bylaws must include whether the council of unit owners is an incorporated or unincorporated entity and whether, and to what extent, the duties of the governing body may be delegated to a board of directors or other property manager. The bylaws must also outline the council's respective powers, the manner of selecting the individuals, and the procedures that must take place to remove council members from their respective positions.

A condominium's bylaws must also include:

- the council of unit owners' mailing address;
- the method of calling the unit owners to assemble and the attendance necessary for a quorum;
- the manner of notifying the unit owners of a proposed meeting and who presides over the meeting;
- the individual responsible for keeping the minute books for recording the council of unit owners' resolutions and who counts votes at those meetings; and
- the manner of assessing against, and collecting from, unit owners their respective shares of common expenses.

The bylaws also may contain any other provision regarding the management and operation of the condominium, including any restriction on or requirement respecting the use and maintenance of the units and the common elements. In addition, the bylaws may contain a provision prohibiting any unit owner from voting if the council of unit owners has recorded a statement of condominium lien on the owner's unit and the lien has not been paid at the time of the meeting.

Additional Information

Prior Introductions: None.

Cross File: None.

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

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mlm/kdm

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