

**Department of Legislative Services**  
Maryland General Assembly  
2012 Session

**FISCAL AND POLICY NOTE**

House Bill 155 (Delegate Beidle)  
Environmental Matters

---

**Homeowners Associations - Adoption of Rules - Notice to Lot Owners**

---

This bill establishes a procedure for the adoption of rules by a homeowners association (HOA) modeled on the Maryland Condominium Act's (MCA) provisions relating to the adoption of rules. The bill's notice requirements may be provided by electronic transmission, posting on the HOA's website, or including the notice in the HOA's newsletter. An open meeting must be held before a vote is taken on a proposed rule, and a quorum of the governing body must be present at the meeting. Additional provisions allow for the disapproval of a new rule before the rule becomes final as well as the granting of individual exceptions to a new rule.

---

**Fiscal Summary**

**State Effect:** The bill does not affect State governmental operations or finances.

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

**Small Business Effect:** None.

---

**Analysis**

**Current Law:** There is no procedure authorized by the Maryland Homeowners Association Act for the adoption of rules by an HOA's governing body.

*Adoption of a Rule by a Condominium:* The governing body of a condominium may adopt rules for the condominium if each unit owner is mailed or delivered a copy of the proposed rule, notice that unit owners are permitted to submit written comments about the proposed rule, and notice of the proposed effective date. Before any vote on the rule

is taken, an open meeting must be held to allow each unit owner or tenant to comment on the proposed rule. In order for this meeting to be held, each unit owner must receive written notice of the meeting at least 15 days before the meeting, and a quorum of the condominium's governing body must be present. If these requirements are met, the condominium may pass the proposed rule at a regular or special meeting by a majority vote of the present and voting members of the condominium's governing body. Each rule adopted under MCA must state that the rule was adopted under MCA's provisions relating to the adoption of a rule.

The vote to pass the proposed rule is final unless, within 15 days after the vote, 15% of the members of the governing body sign and file a petition calling for a special meeting. A quorum of the condominium's governing body must then attend the special meeting, and 50% of the unit owners present and voting must disapprove of the rule. In addition, the number of unit owners present and voting who disapprove of the rule must be greater than 33% of the total votes in the condominium. During the special meeting any unit owner, tenant, and mortgagee may comment on the proposed rule. The special meeting may only be called after the unit owners and any mortgagee have at least 15 days' written notice of the meeting and within 30 days after the petition is received by the governing body.

If a rule is adopted while an individual was a unit owner or tenant of the condominium, the individual may file a written request for an individual exception to the rule within 30 days after the rule's effective date.

*Electronic Transmission of Notice by an HOA:* Despite any language contained in the governing documents of an HOA, an HOA may provide notice of a meeting or deliver information to a lot owner by electronic transmission if (1) the HOA's governing body gives the HOA the authority; (2) the lot owner gives the HOA prior written authorization; and (3) an officer or agent of the HOA certifies in writing that the HOA has provided notice of a meeting or delivered material or information as authorized by the lot owner. However, notice or delivery by electronic transmission is considered to be ineffective if the HOA is unable to deliver two consecutive notices and this inability becomes known to the person responsible for sending the electronic transmission. The inadvertent failure to deliver notice by electronic transmission does not invalidate any meeting or other action.

---

## **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

**Fiscal Note History:** First Reader - February 7, 2012  
mm/kdm

---

Analysis by: Michael F. Bender

Direct Inquiries to:  
(410) 946-5510  
(301) 970-5510