

# SENATE BILL 162

N1  
SB 183/12 – JPR

3lr0616

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By: **Senators Kelley and Miller**  
Introduced and read first time: January 17, 2013  
Assigned to: Judicial Proceedings

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## A BILL ENTITLED

1 AN ACT concerning

2 **Condominiums and Homeowners Associations – Transition of Control –**  
3 **Termination of Contracts**

4 FOR the purpose of authorizing, under certain circumstances, the board of directors of  
5 a condominium to terminate certain contracts within a certain period of time  
6 after the board of directors is elected, and the governing body of a homeowners  
7 association to terminate certain contracts within a certain period of time after  
8 the governing body is elected; repealing provisions of law that allowed, under  
9 certain circumstances, the board of directors of a condominium to terminate a  
10 contract entered into by the officers or the board, and the governing body of a  
11 homeowners association to terminate a contract entered into by the governing  
12 body; and generally relating to termination of contracts by condominiums and  
13 homeowners associations.

14 BY repealing and reenacting, with amendments,  
15 Article – Real Property  
16 Section 11–109(c)(16)(v) and 11B–106.1(e)  
17 Annotated Code of Maryland  
18 (2010 Replacement Volume and 2012 Supplement)

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

21 **Article – Real Property**

22 11–109.

23 (c) (16) (v) 1. This subparagraph does not apply to a contract  
24 entered into before October 1, [2009] **2013**.

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1                   2.    A.    In this subparagraph, “contract” means an  
2 agreement with a company or individual to handle financial matters, maintenance, or  
3 services for the condominium.

4                   B.    “Contract” does not include an agreement relating to  
5 the provision of utility services or communication systems.

6                   3.    [Until] **WITHIN 180 DAYS AFTER** all members of the  
7 board of directors of the condominium are elected by the unit owners at a transitional  
8 meeting as specified in subparagraph (i) of this paragraph, **THE BOARD MAY**  
9 **TERMINATE** a contract entered into by the **DEVELOPER**, officers, or **PREVIOUS** board  
10 of directors of the condominium [may be terminated] **BEFORE THE MEETING**, at the  
11 discretion of the board of directors and without liability for the termination, [not later  
12 than 30 days after] **ON 30 DAYS’** notice **TO THE CONTRACTOR**.

13    11B-106.1.

14           (e)    (1)    This subsection does not apply to a contract entered into before  
15 October 1, [2009] **2013**.

16                   (2)    (i)    In this subsection, “contract” means an agreement with a  
17 company or individual to handle financial matters, maintenance, or services for the  
18 homeowners association.

19                   (ii)   “Contract” does not include an agreement relating to the  
20 provision of utility services or communication systems.

21                   (3)    [Until] **WITHIN 180 DAYS AFTER** all members of the governing  
22 body are elected by the lot owners at a transitional meeting under subsection (a) of  
23 this section, **THE GOVERNING BODY MAY TERMINATE** a contract entered into by the  
24 **DECLARANT OR THE PREVIOUS** governing body [may be terminated] **BEFORE THE**  
25 **MEETING**, at the discretion of the governing body and without liability for the  
26 termination, [not later than 30 days after] **ON 30 DAYS’** notice **TO THE**  
27 **CONTRACTOR**.

28           SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
29 October 1, 2013.