

# 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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Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: February 13, 2013

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## CHAPTER \_\_\_\_\_

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 a meeting at which a certain majority of the board of directors is elected,  
7 and the governing body of a homeowners association to terminate certain  
8 contracts within a certain period of time after a meeting at which a certain  
9 majority of the governing body is elected; repealing provisions of law that  
10 allowed, under certain circumstances, the board of directors of a condominium  
11 to terminate a contract entered into by the officers or the board, and the  
12 governing body of a homeowners association to terminate a contract entered  
13 into by the governing body; altering a certain definition; and generally relating  
14 to termination of contracts by condominiums and homeowners associations.

15 BY repealing and reenacting, with amendments,  
16 Article – Real Property  
17 Section 11–109(c)(16)(v) and 11B–106.1(e)  
18 Annotated Code of Maryland  
19 (2010 Replacement Volume and 2012 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**

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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 11-109.

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

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

7 B. “Contract” does not include an agreement relating to  
8 the provision of utility, TELECOMMUNICATIONS, INTERNET, CABLE, OR OTHER  
9 VIDEO services, or communication systems.

10 3. [Until] **WITHIN 180 DAYS AFTER** ~~all members of the~~  
11 ~~board of directors of the condominium are elected by the unit owners at a transitional~~  
12 ~~meeting as specified in subparagraph (i) of this paragraph~~ **A MEETING AT WHICH**  
13 **THE UNIT OWNERS ELECT A MAJORITY OF THE BOARD OF DIRECTORS**  
14 **COMPOSED OF MEMBERS UNAFFILIATED WITH THE DEVELOPER, THE BOARD**  
15 **MAY TERMINATE** a contract entered into by the **DEVELOPER**, officers, or **PREVIOUS**  
16 **board of directors of the condominium [may be terminated] BEFORE THE MEETING,**  
17 **at the discretion of the board of directors and without liability for the termination,**  
18 **[not later than 30 days after] ON 30 DAYS’ notice TO THE CONTRACTOR.**

19 11B-106.1.

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

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

25 (ii) “Contract” does not include an agreement relating to the  
26 provision of utility, TELECOMMUNICATIONS, INTERNET, CABLE, OR OTHER VIDEO  
27 services, or communication systems.

28 (3) [Until] **WITHIN 180 DAYS AFTER** ~~all members of the governing~~  
29 ~~body are elected by the lot owners at a transitional meeting under subsection (a) of~~  
30 ~~this section~~ **A MEETING AT WHICH THE LOT OWNERS ELECT A MAJORITY OF THE**  
31 **GOVERNING BODY COMPOSED OF MEMBERS UNAFFILIATED WITH THE**  
32 **DECLARANT, THE GOVERNING BODY MAY TERMINATE** a contract entered into by  
33 the **DECLARANT OR THE PREVIOUS** governing body **[may be terminated] BEFORE**  
34 **THE MEETING,** at the discretion of the governing body and without liability for the

1 termination, [not later than 30 days after] ON **30 DAYS'** notice TO THE  
2 CONTRACTOR.

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

Approved:

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Governor.

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President of the Senate.

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Speaker of the House of Delegates.