

HOUSE BILL 1037

N1

9lr1350

By: **Delegate Fraser-Hidalgo**

Introduced and read first time: February 8, 2019

Assigned to: Environment and Transportation

A BILL ENTITLED

1 AN ACT concerning

2 **Condominiums and Homeowners Associations – Meeting Requirements**

3 FOR the purpose of making clarifying changes to certain additional meeting requirements
4 for a council of unit owners; requiring notice of an initial properly called meeting of
5 council of unit owners to include certain information under certain circumstances;
6 requiring an additional meeting of a council of unit owners to be held no earlier than
7 a certain time; requiring a certain notice of an additional meeting of the council of
8 unit owners to be delivered or advertised in a certain manner; authorizing an
9 additional meeting of lot owners to be held under certain circumstances; requiring
10 notice of an initial properly called meeting of the lot owners of a homeowners
11 association to include certain information under certain circumstances; requiring an
12 additional meeting of lot owners to be held no earlier than a certain time; requiring
13 a certain notice of an additional meeting of the lot owners to be delivered or
14 advertised in a certain manner; establishing certain quorum and approval
15 requirements for an additional meeting of lot owners under certain circumstances;
16 providing for the construction of certain provisions of this Act; and generally relating
17 to meeting requirements in condominiums and homeowners associations.

18 BY repealing and reenacting, with amendments,
19 Article – Real Property
20 Section 11–109(c)(8) and 11B–111(4) and (5)
21 Annotated Code of Maryland
22 (2015 Replacement Volume and 2018 Supplement)

23 BY adding to
24 Article – Real Property
25 Section 11B–111(6)
26 Annotated Code of Maryland
27 (2015 Replacement Volume and 2018 Supplement)

28 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 That the Laws of Maryland read as follows:

2 **Article – Real Property**

3 11–109.

4 (c) (8) (i) Unless the bylaws provide otherwise, a quorum is deemed
5 present throughout any meeting of the council of unit owners if persons entitled to cast 25
6 percent of the total number of votes appurtenant to all units are present in person or by
7 proxy.

8 (ii) If the number of persons present in person or by proxy at a
9 properly called meeting of the council of unit owners is insufficient to constitute a quorum,
10 [another] **AN ADDITIONAL** meeting of the council of unit owners may be called for the same
11 purpose if:

12 1. The notice of the **INITIAL PROPERLY CALLED** meeting
13 stated [that]:

14 **A. THAT** the procedure authorized by this paragraph might
15 be invoked; and

16 **B. THE DATE, TIME, AND PLACE OF THE ADDITIONAL**
17 **MEETING; AND**

18 2. [By] **A** majority [vote,] **OF** the unit owners present **VOTE**
19 in person or by proxy **TO** call for the additional meeting.

20 (iii) 1. [Fifteen days' notice] **AN ADDITIONAL MEETING**
21 **CALLED UNDER SUBPARAGRAPH (II) OF THIS PARAGRAPH SHALL OCCUR NOT LESS**
22 **THAN 15 DAYS AFTER THE INITIAL PROPERLY CALLED MEETING.**

23 2. **NOT LESS THAN 15 DAYS BEFORE THE ADDITIONAL**
24 **MEETING, A SEPARATE AND DISTINCT NOTICE** of the **DATE**, time, place, and purpose of
25 the additional meeting **CALLED UNDER SUBPARAGRAPH (II) OF THIS PARAGRAPH** shall
26 be [delivered]:

27 **A. DELIVERED**, mailed, or sent by electronic transmission if
28 the requirements of § 11–139.1 of this title are met, to each unit owner at the address shown
29 on the roster maintained under paragraph (2) of this subsection; **OR**

30 **B. ADVERTISED IN A NEWSPAPER PUBLISHED IN THE**
31 **COUNTY WHERE THE CONDOMINIUM IS LOCATED.**

32 [2.] **3.** The notice shall contain the quorum and voting provisions

1 of subparagraph (iv) of this paragraph.

2 (iv) 1. At the additional meeting, the unit owners present in
3 person or by proxy constitute a quorum.

4 2. Unless the bylaws provide otherwise, a majority of the
5 unit owners present in person or by proxy:

6 A. May approve or authorize the proposed action at the
7 additional meeting; and

8 B. May take any other action that could have been taken at
9 the original meeting if a sufficient number of unit owners had been present.

10 (v) This paragraph may not be construed to affect the percentage of
11 votes required to amend the declaration or bylaws or to take any other action required to
12 be taken by a specified percentage of votes.

13 11B-111.

14 Except as provided in this title, and notwithstanding anything contained in any of
15 the documents of the homeowners association:

16 (4) A meeting of the board of directors or other governing body of the
17 homeowners association or a committee of the homeowners association may be held in
18 closed session only for the following purposes:

19 (i) Discussion of matters pertaining to employees and personnel;

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

22 (iii) Consultation with legal counsel on legal matters;

23 (iv) Consultation with staff personnel, consultants, attorneys, board
24 members, or other persons in connection with pending or potential litigation or other legal
25 matters;

26 (v) Investigative proceedings concerning possible or actual criminal
27 misconduct;

28 (vi) Consideration of the terms or conditions of a business
29 transaction in the negotiation stage if the disclosure could adversely affect the economic
30 interests of the homeowners association;

31 (vii) Compliance with a specific constitutional, statutory, or judicially
32 imposed requirement protecting particular proceedings or matters from public disclosure;

1 or

2 (viii) Discussion of individual owner assessment accounts; [and]

3 (5) If a meeting is held in closed session under item (4) of this section:

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

6 (ii) A statement of the time, place, and purpose of a closed meeting,
7 the record of the vote of each board or committee member by which the meeting was closed,
8 and the authority under this section for closing a meeting shall be included in the minutes
9 of the next meeting of the board of directors or the committee of the homeowners
10 association; AND

11 **(6) (I) IF THE NUMBER OF LOT OWNERS PRESENT IN PERSON OR**
12 **BY PROXY AT A PROPERLY CALLED MEETING IS INSUFFICIENT TO CONSTITUTE A**
13 **QUORUM, AN ADDITIONAL MEETING OF THE LOT OWNERS MAY BE CALLED FOR THE**
14 **SAME PURPOSE IF:**

15 **1. THE NOTICE OF THE INITIAL PROPERLY CALLED**
16 **MEETING STATED:**

17 **A. THAT THE PROCEDURE AUTHORIZED BY THIS**
18 **SUBSECTION MIGHT BE INVOKED; AND**

19 **B. THE DATE, TIME, AND PLACE OF THE ADDITIONAL**
20 **MEETING; AND**

21 **2. A MAJORITY OF THE LOT OWNERS PRESENT VOTE IN**
22 **PERSON OR BY PROXY TO CALL FOR THE ADDITIONAL MEETING;**

23 **(II) AN ADDITIONAL MEETING CALLED UNDER SUBPARAGRAPH**
24 **(I) OF THIS PARAGRAPH SHALL OCCUR NO LESS THAN 15 DAYS AFTER THE INITIAL**
25 **PROPERLY CALLED MEETING;**

26 **(III) 1. NO LESS THAN 15 DAYS BEFORE THE ADDITIONAL**
27 **MEETING, A SEPARATE AND DISTINCT NOTICE OF THE DATE, TIME, PLACE, AND**
28 **PURPOSE OF THE ADDITIONAL MEETING CALLED UNDER SUBPARAGRAPH (I) OF**
29 **THIS PARAGRAPH SHALL BE:**

30 **A. DELIVERED, MAILED, OR SENT BY ELECTRONIC**
31 **TRANSMISSION, IF THE REQUIREMENTS OF § 11B-113.1 OF THIS TITLE ARE MET, TO**
32 **EACH LOT OWNER AT THE ADDRESS SHOWN ON THE ROSTER MAINTAINED BY THE**

1 HOMEOWNERS ASSOCIATION; OR

2 B. ADVERTISED IN A NEWSPAPER PUBLISHED IN THE
3 COUNTY WHERE THE HOMEOWNERS ASSOCIATION IS LOCATED; AND

4 2. THE NOTICE SHALL CONTAIN THE QUORUM AND
5 VOTING PROVISIONS OF SUBPARAGRAPH (IV) OF THIS PARAGRAPH;

6 (IV) 1. AT THE ADDITIONAL MEETING, THE LOT OWNERS
7 PRESENT IN PERSON OR BY PROXY CONSTITUTE A QUORUM; AND

8 2. UNLESS THE BYLAWS PROVIDE OTHERWISE, A
9 MAJORITY OF THE LOT OWNERS PRESENT IN PERSON OR BY PROXY:

10 A. MAY APPROVE OR AUTHORIZE THE PROPOSED
11 ACTION AT THE ADDITIONAL MEETING; AND

12 B. MAY TAKE ANY OTHER ACTION THAT COULD HAVE
13 BEEN TAKEN AT THE ORIGINAL MEETING IF A SUFFICIENT NUMBER OF LOT OWNERS
14 HAD BEEN PRESENT; AND

15 (V) THIS PARAGRAPH MAY NOT BE CONSTRUED TO AFFECT THE
16 PERCENTAGE OF VOTES REQUIRED TO AMEND THE DECLARATION OR BYLAWS OR TO
17 TAKE ANY OTHER ACTION REQUIRED TO BE TAKEN BY A SPECIFIED PERCENTAGE OF
18 VOTES.

19 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
20 October 1, 2019.