

# HOUSE BILL 1037

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By: **Delegate Fraser-Hidalgo**

Introduced and read first time: February 8, 2019

Assigned to: Environment and Transportation

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Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 9, 2019

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

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, or posted in a certain manner; authorizing  
9 an 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, or posted 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

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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 Article – Real Property  
 2 Section 11B–111(6)  
 3 Annotated Code of Maryland  
 4 (2015 Replacement Volume and 2018 Supplement)

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

7 **Article – Real Property**

8 11–109.

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

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

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

19 **A. THAT** the procedure authorized by this paragraph might  
 20 be invoked; and

21 **B. THE DATE, TIME, AND PLACE OF THE ADDITIONAL**  
 22 **MEETING; AND**

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

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

28 2. **NOT LESS THAN ~~15~~ 10 DAYS BEFORE THE ADDITIONAL**  
 29 **MEETING, A SEPARATE AND DISTINCT NOTICE** of the **DATE**, time, place, and purpose of  
 30 the additional meeting **CALLED UNDER SUBPARAGRAPH (II) OF THIS PARAGRAPH** shall  
 31 be **[delivered]:**

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

1                   **B.    ADVERTISED IN A NEWSPAPER PUBLISHED IN THE**  
2 **COUNTY WHERE THE CONDOMINIUM IS LOCATED; OR**

3                   **C.    IF THE CONDOMINIUM HAS A WEBSITE, POSTED ON**  
4 **THE HOMEPAGE OF THE WEBSITE.**

5                   [2.] 3.    The notice shall contain the quorum and voting  
6 provisions of subparagraph (iv) of this paragraph.

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

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

11                   A.    May approve or authorize the proposed action at the  
12 additional meeting; and

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

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

18 11B-111.

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

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

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

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

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

28                   (iv)   Consultation with staff personnel, consultants, attorneys, board  
29 members, or other persons in connection with pending or potential litigation or other legal  
30 matters;

1 (v) Investigative proceedings concerning possible or actual criminal  
2 misconduct;

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

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

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

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

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

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

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

22 **1. THE NOTICE OF THE INITIAL PROPERLY CALLED**  
23 **MEETING STATED:**

24 **A. THAT THE PROCEDURE AUTHORIZED BY THIS**  
25 **SUBSECTION MIGHT BE INVOKED; AND**

26 **B. THE DATE, TIME, AND PLACE OF THE ADDITIONAL**  
27 **MEETING; AND**

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

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

1 (III) 1. NO LESS THAN ~~15~~ 10 DAYS BEFORE THE ADDITIONAL  
2 MEETING, A SEPARATE AND DISTINCT NOTICE OF THE DATE, TIME, PLACE, AND  
3 PURPOSE OF THE ADDITIONAL MEETING CALLED UNDER SUBPARAGRAPH (I) OF  
4 THIS PARAGRAPH SHALL BE:

5 A. DELIVERED, MAILED, OR SENT BY ELECTRONIC  
6 TRANSMISSION, IF THE REQUIREMENTS OF § 11B-113.1 OF THIS TITLE ARE MET, TO  
7 EACH LOT OWNER AT THE ADDRESS SHOWN ON THE ROSTER MAINTAINED BY THE  
8 HOMEOWNERS ASSOCIATION; ~~OR~~

9 B. ADVERTISED IN A NEWSPAPER PUBLISHED IN THE  
10 COUNTY WHERE THE HOMEOWNERS ASSOCIATION IS LOCATED; ~~AND~~ OR

11 C. IF THE HOMEOWNERS ASSOCIATION HAS A WEBSITE,  
12 POSTED ON THE HOMEPAGE OF THE WEBSITE; AND

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

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

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

19 A. MAY APPROVE OR AUTHORIZE THE PROPOSED  
20 ACTION AT THE ADDITIONAL MEETING; AND

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

24 (V) THIS PARAGRAPH MAY NOT BE CONSTRUED TO AFFECT THE  
25 PERCENTAGE OF VOTES REQUIRED TO AMEND THE DECLARATION OR BYLAWS OR TO  
26 TAKE ANY OTHER ACTION REQUIRED TO BE TAKEN BY A SPECIFIED PERCENTAGE OF  
27 VOTES.

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