

HOUSE BILL 1534

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5lr2033
CF SB 758

By: **Delegate Holmes**

Introduced and read first time: February 24, 2025

Assigned to: Rules and Executive Nominations

A BILL ENTITLED

1 AN ACT concerning

2 **Condominiums and Homeowners Associations – Elections, Financial**
3 **Statements, and Enforcement**

4 FOR the purpose of establishing certain requirements for elections of the governing body
5 of a condominium or homeowners association; requiring the governing body of a
6 condominium to accommodate unit owner organizing activities relating to the
7 governance of the condominium; prohibiting a condominium or homeowners
8 association from charging a unit or lot owner for examining certain records of the
9 condominium or homeowners association in a certain manner; authorizing a
10 condominium or homeowners association to charge a reasonable fee for copying
11 certain documents; expanding the authority of the Division of Consumer Protection
12 of the Office of the Attorney General to enforce certain provisions of law relating to
13 condominiums and homeowners associations; and generally relating to
14 condominiums and homeowners associations.

15 BY renumbering

16 Article – Real Property
17 Section 11B–118
18 to be Section 11B–119
19 Annotated Code of Maryland
20 (2023 Replacement Volume and 2024 Supplement)

21 BY adding to

22 Article – Real Property
23 Section 11–109(c)(17) through (22) and 11B–118
24 Annotated Code of Maryland
25 (2023 Replacement Volume and 2024 Supplement)

26 BY repealing and reenacting, with amendments,

27 Article – Real Property
28 Section 11–116, 11–130, 11B–112, and 11B–115

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 Annotated Code of Maryland
2 (2023 Replacement Volume and 2024 Supplement)

3 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
4 That Section(s) 11B–118 of Article – Real Property of the Annotated Code of Maryland be
5 renumbered to be Section(s) 11B–119.

6 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read
7 as follows:

8 **Article – Real Property**

9 11–109.

10 (c) (17) (i) ELECTIONS, INCLUDING THE COLLECTION AND COUNTING
11 OF BALLOTS AND THE CERTIFYING OF RESULTS, FOR OFFICERS OR MEMBERS OF
12 THE GOVERNING BODY OTHER THAN THE FULL MEMBERSHIP OF THE COUNCIL OF
13 UNIT OWNERS SHALL BE CONDUCTED BY INDEPENDENT PARTIES WHO:

14 1. ARE NOT CANDIDATES IN THE ELECTION; AND

15 2. DO NOT HAVE A CONFLICT OF INTEREST REGARDING
16 ANY CANDIDATE IN THE ELECTION.

17 (ii) A UNIT OWNER IS AN INDEPENDENT PARTY IF THE UNIT
18 OWNER:

19 1. COMPLIES WITH THE REQUIREMENTS OF THIS
20 SECTION;

21 2. DOES NOT ELECTIONEER FOR ANY CANDIDATE; AND

22 3. IS NOT SUBJECT TO AN OBJECTION BY MORE THAN 25
23 PERCENT OF THE ELIGIBLE VOTING MEMBERS OF THE COUNCIL OF UNIT OWNERS.

24 (iii) REPRESENTATIVES OF THE CONDOMINIUM’S PROPERTY
25 MANAGEMENT ARE NOT INDEPENDENT PARTIES.

26 (18) THE GOVERNING BODY MAY RETAIN A THIRD–PARTY VENDOR OR
27 EMPLOY A COMMERCIAL TECHNOLOGY PLATFORM TO CONDUCT AN ELECTION.

28 (19) INDIVIDUALS CONDUCTING AN ELECTION SHALL MAKE
29 REASONABLE EFFORTS TO ENSURE THAT THE ELECTION IS FAIR AND THAT THERE
30 IS ACCOUNTABILITY FOR THE PROCESS AND THE RESULTS OF THE ELECTION.

1 **(20) A UNIT OWNER DESIGNATED TO CONDUCT AN ELECTION WHO**
2 **ACTS IN GOOD FAITH IS NOT PERSONALLY LIABLE IN CONNECTION WITH THE**
3 **CONDUCT OF THE ELECTION.**

4 **(21) (I) THE GOVERNING BODY SHALL MAKE REASONABLE**
5 **ACCOMMODATIONS, INCLUDING REASONABLE USE OF ANY PORTION OF COMMON**
6 **AREAS, FOR UNIT OWNERS TO ENGAGE IN ORGANIZING ACTIVITIES RELATING TO**
7 **GOVERNANCE OF THE CONDOMINIUM.**

8 **(II) THE GOVERNING BODY MAY NOT PREVENT UNIT OWNERS**
9 **FROM OR RETALIATE AGAINST UNIT OWNERS FOR EXERCISING RIGHTS**
10 **GUARANTEED UNDER LAW OR UNDER THE GOVERNING DOCUMENTS OF THE**
11 **CONDOMINIUM.**

12 **(22) PROVISIONS OF THE GOVERNING DOCUMENTS, RULES, OR**
13 **REGULATIONS OF A CONDOMINIUM RELATING TO THE CONDUCT OF ELECTIONS**
14 **THAT ARE INCONSISTENT WITH THE REQUIREMENTS OF THIS SECTION ARE**
15 **UNENFORCEABLE AND VOID.**

16 11–116.

17 (a) The council of unit owners shall keep books and records in accordance with
18 good accounting practices on a consistent basis.

19 (b) On the request of the unit owners of at least 5 percent of the units, the council
20 of unit owners shall cause an audit of the books and records to be made by an independent
21 certified public accountant, provided an audit shall be made not more than once in any
22 consecutive 12–month period. The cost of the audit shall be a common expense.

23 (c) (1) (i) Except as provided in paragraph (3) of this subsection, all books
24 and records, including insurance policies, kept by the council of unit owners shall be
25 maintained in Maryland or within 50 miles of its borders and shall be available at some
26 place designated by the council of unit owners for examination or copying, or both, by any
27 unit owner, a unit owner’s mortgagee, or their respective duly authorized agents or
28 attorneys, during normal business hours, and after reasonable notice.

29 (ii) If a unit owner requests in writing a copy of financial statements
30 of the condominium or the minutes of a meeting of the board of directors or other governing
31 body of the condominium to be delivered, the board of directors or other governing body of
32 the condominium shall compile and send the requested information by mail, electronic
33 transmission, or personal delivery:

1 1. Within 21 days after receipt of the written request, if the
2 financial statements or minutes were prepared within the 3 years immediately preceding
3 receipt of the request; or

4 2. Within 45 days after receipt of the written request, if the
5 financial statements or minutes were prepared more than 3 years before receipt of the
6 request.

7 (2) Books and records required to be made available under paragraph (1)
8 of this subsection shall first be made available to a unit owner not later than 15 business
9 days after a unit is conveyed from a developer and the unit owner requests to examine or
10 copy the books and records.

11 (3) Books and records kept by or on behalf of a council of unit owners may
12 be withheld from public inspection, except for inspection by the person who is the subject
13 of the record or the person's designee or guardian, to the extent that they concern:

14 (i) Personnel records, not including information on individual
15 salaries, wages, bonuses, and other compensation paid to employees;

16 (ii) An individual's medical records;

17 (iii) An individual's personal financial records, including assets,
18 income, liabilities, net worth, bank balances, financial history or activities, and
19 creditworthiness;

20 (iv) Records relating to business transactions that are currently in
21 negotiation;

22 (v) The written advice of legal counsel; or

23 (vi) Minutes of a closed meeting of the board of directors or other
24 governing body of the council of unit owners, unless a majority of a quorum of the board of
25 directors or governing body that held the meeting approves unsealing the minutes or a
26 recording of the minutes for public inspection.

27 (d) (1) [Except for a reasonable charge imposed on a person desiring to review
28 or copy the books and records or who requests delivery of information, the council of unit
29 owners may not impose any charges under this section.]

30 **(I) EXCEPT AS OTHERWISE PROVIDED IN THIS SUBSECTION,**
31 **THE COUNCIL OF UNIT OWNERS MAY IMPOSE A REASONABLE CHARGE ON A PERSON**
32 **DESIRING TO REVIEW OR COPY THE BOOKS AND RECORDS OF THE CONDOMINIUM OR**
33 **WHO REQUESTS DELIVERY OF INFORMATION.**

1 **(II) THE COUNCIL OF UNIT OWNERS MAY NOT IMPOSE ANY**
2 **CHARGES UNDER THIS SECTION OTHER THAN THOSE AUTHORIZED UNDER**
3 **SUBPARAGRAPH (I) OF THIS PARAGRAPH.**

4 **(2) A UNIT OWNER MAY NOT BE CHARGED FOR:**

5 **(I) EXAMINING THE FINANCIAL STATEMENTS OF THE**
6 **CONDOMINIUM IN PERSON WHERE THE FINANCIAL STATEMENTS ARE MAINTAINED**
7 **IN ACCORDANCE WITH SUBSECTION (C)(1)(I) OF THIS SECTION; OR**

8 **(II) RECEIVING THE FINANCIAL STATEMENTS OF THE**
9 **CONDOMINIUM THROUGH ELECTRONIC TRANSMISSION IN ACCORDANCE WITH**
10 **SUBSECTION (C)(1)(II) OF THIS SECTION.**

11 **[(2)] (3)** A charge imposed under paragraph (1) of this subsection for
12 copying books and records may not exceed the limits authorized under Title 7, Subtitle 2 of
13 the Courts Article.

14 11–130.

15 (a) This section is intended to provide minimum standards for the protection of
16 consumers in the State.

17 (b) (1) **[For purposes of] IN** this section, “consumer” means an actual or
18 prospective purchaser, lessee, assignee or recipient of a condominium unit **OR A UNIT**
19 **OWNER.**

20 (2) “Consumer” includes a co-obligor or surety for a consumer.

21 (c) **[(1) To the extent that a violation of any provision of this title affects a**
22 **consumer, that] A violation OF THIS TITLE** shall be within the scope of the enforcement
23 duties and powers of the Division of Consumer Protection of the Office of the Attorney
24 General, as described in Title 13 of the Commercial Law Article.

25 **[(2) The provisions of this title shall otherwise be enforced by each agency**
26 **of the State within the scope of its authority.]**

27 **(d) THE DIVISION OF CONSUMER PROTECTION OF THE OFFICE OF THE**
28 **ATTORNEY GENERAL MAY ADOPT REGULATIONS TO CARRY OUT THIS TITLE.**

29 **(E)** A county or incorporated municipality, or an agency of any of those
30 jurisdictions, may adopt laws or ordinances for the protection of a consumer to the extent
31 and in the manner provided for under § 13–103 of the Commercial Law Article.

1 ~~[(e)]~~ (F) Within 30 days of the effective date of a law, ordinance, or regulation
2 enacted under this section which is expressly applicable to condominiums, the local
3 jurisdiction shall forward a copy of the law, ordinance, or regulation to the Secretary of
4 State.

5 11B-112.

6 (a) (1) (i) Subject to the provisions of paragraph (2) of this subsection, all
7 books and records kept by or on behalf of the homeowners association shall be made
8 available for examination or copying, or both, by a lot owner, a lot owner's mortgagee, or
9 their respective duly authorized agents or attorneys, during normal business hours, and
10 after reasonable notice.

11 (ii) Books and records required to be made available under
12 subparagraph (i) of this paragraph shall first be made available to a lot owner no later than
13 15 business days after a lot is conveyed by the declarant and the lot owner requests to
14 examine or copy the books and records.

15 (iii) If a lot owner requests in writing a copy of financial statements
16 of the homeowners association or the minutes of a meeting of the governing body of the
17 homeowners association to be delivered, the governing body of the homeowners association
18 shall compile and send the requested information by mail, electronic transmission, or
19 personal delivery:

20 1. Within 21 days after receipt of the written request, if the
21 financial statements or minutes were prepared within the 3 years immediately preceding
22 receipt of the request; or

23 2. Within 45 days after receipt of the written request, if the
24 financial statements or minutes were prepared more than 3 years before receipt of the
25 request.

26 (2) Books and records kept by or on behalf of a homeowners association
27 may be withheld from public inspection, except for inspection by the person who is the
28 subject of the record or the person's designee or guardian, to the extent that they concern:

29 (i) Personnel records, not including information on individual
30 salaries, wages, bonuses, and other compensation paid to employees;

31 (ii) An individual's medical records;

32 (iii) An individual's personal financial records, including assets,
33 income, liabilities, net worth, bank balances, financial history or activities, and
34 creditworthiness;

35 (iv) Records relating to business transactions that are currently in
36 negotiation;

1 (v) The written advice of legal counsel; or

2 (vi) Minutes of a closed meeting of the governing body of the
3 homeowners association, unless a majority of a quorum of the governing body of the
4 homeowners association that held the meeting approves unsealing the minutes or a
5 recording of the minutes for public inspection.

6 (b) (1) [Except for a reasonable charge imposed on a person desiring to review
7 or copy the books and records or who requests delivery of information, the homeowners
8 association may not impose any charges under this section.]

9 (I) EXCEPT AS OTHERWISE PROVIDED IN THIS SUBSECTION,
10 THE HOMEOWNERS ASSOCIATION MAY IMPOSE A REASONABLE CHARGE ON A
11 PERSON DESIRING TO REVIEW OR COPY THE BOOKS AND RECORDS OR WHO
12 REQUESTS DELIVERY OF INFORMATION.

13 (II) THE HOMEOWNERS ASSOCIATION MAY NOT IMPOSE ANY
14 CHARGES UNDER THIS SECTION OTHER THAN THOSE AUTHORIZED UNDER
15 SUBPARAGRAPH (I) OF THIS PARAGRAPH.

16 (2) A LOT OWNER MAY NOT BE CHARGED FOR:

17 (I) EXAMINING THE FINANCIAL STATEMENTS OF THE
18 HOMEOWNERS ASSOCIATION IN PERSON WHERE THE FINANCIAL STATEMENTS ARE
19 MAINTAINED IN ACCORDANCE WITH SUBSECTION (A)(1)(I) OF THIS SECTION,
20 UNLESS THE FINANCIAL STATEMENTS ARE LOCATED IN A DEPOSITORY; OR

21 (II) RECEIVING THE FINANCIAL STATEMENTS OF THE
22 HOMEOWNERS ASSOCIATION THROUGH ELECTRONIC TRANSMISSION IN
23 ACCORDANCE WITH SUBSECTION (A)(1)(III) OF THIS SECTION.

24 [(2)] (3) A charge imposed under paragraph (1) of this subsection for
25 copying books and records may not exceed the limits authorized under Title 7, Subtitle 2 of
26 the Courts Article.

27 (c) (1) Each homeowners association that was in existence on June 30, 1987
28 shall deposit in the depository by December 31, 1988, and each homeowners association
29 established subsequent to June 30, 1987 shall deposit in the depository by the later of the
30 date 30 days following its establishment, or December 31, 1988, all disclosures, current to
31 the date of deposit, specified:

32 (i) By § 11B–105(b) of this title except for those disclosures required
33 by paragraphs (6)(i), (8), (9), and (12);

1 (ii) By § 11B–106(b) of this title except for those disclosures required
2 by paragraphs (1), (2), (4), and (5)(i); and

3 (iii) By § 11B–107(b) of this title.

4 (2) Beginning January 1, 1989, within 30 days of the adoption of or
5 amendment to any of the disclosures required by this title to be deposited in the depository,
6 a homeowners association shall deposit the adopted or amended disclosures in the
7 depository.

8 (3) If a homeowners association fails to deposit in the depository any of the
9 disclosures required to be deposited by this section, or by § 11B–105(b)(6)(ii) or §
10 11B–106(b)(5)(ii) of this title, then those disclosures which were not deposited shall be
11 unenforceable until the time they are deposited.

12 11B–115.

13 (a) (1) In this section, “consumer” means an actual or prospective purchaser,
14 lessee, assignee, or recipient of a lot in a development, **OR A LOT OWNER.**

15 (2) “Consumer” includes a co–obligor or surety for a consumer.

16 (b) This section is intended to provide minimum standards for protection of
17 consumers in the State.

18 (c) [(1) To the extent that a violation of any provision of this title affects a
19 consumer, that] **A violation OF THIS TITLE** shall be within the scope of the enforcement
20 duties and powers of the Division of Consumer Protection of the Office of the Attorney
21 General, as described in Title 13 of the Commercial Law Article.

22 [(2) The provisions of this title shall otherwise be enforced by each unit of
23 State government within the scope of the authority of the unit.]

24 (d) **THE DIVISION OF CONSUMER PROTECTION OF THE OFFICE OF THE**
25 **ATTORNEY GENERAL MAY ADOPT REGULATIONS TO CARRY OUT THIS TITLE.**

26 (E) (1) A county or municipal corporation may adopt a law, ordinance, or
27 regulation for the protection of a consumer to the extent and in the manner provided for
28 under § 13–103 of the Commercial Law Article.

29 (2) Within 30 days of the effective date of a law, ordinance, or regulation
30 adopted under this subsection that is expressly applicable to a development, the county or
31 municipal corporation shall forward a copy of the law, ordinance, or regulation to the
32 homeowners association depository in the office of the clerk of the court in the county where
33 the development is located.

1 11B-118.

2 (A) (1) ELECTIONS FOR THE GOVERNING BODY OF A HOMEOWNERS
3 ASSOCIATION, INCLUDING THE COLLECTION AND COUNTING OF BALLOTS AND THE
4 CERTIFYING OF RESULTS, SHALL BE CONDUCTED BY INDEPENDENT PARTIES WHO:

5 (I) ARE NOT CANDIDATES FOR POSITIONS ON THE GOVERNING
6 BODY OF THE HOMEOWNERS ASSOCIATION IN THAT ELECTION; AND

7 (II) DO NOT HAVE A CONFLICT OF INTEREST REGARDING ANY
8 CANDIDATE IN THE ELECTION.

9 (2) (I) REPRESENTATIVES OF THE HOMEOWNERS ASSOCIATION'S
10 PROPERTY MANAGEMENT ARE NOT INDEPENDENT PARTIES.

11 (II) A LOT OWNER IS AN INDEPENDENT PARTY IF THE LOT
12 OWNER:

13 1. COMPLIES WITH THE REQUIREMENTS OF THIS
14 SUBSECTION;

15 2. DOES NOT ELECTIONEER FOR ANY CANDIDATE; AND

16 3. IS NOT SUBJECT TO AN OBJECTION BY MORE THAN 25
17 PERCENT OF THE ELIGIBLE VOTING MEMBERS OF THE HOMEOWNERS ASSOCIATION.

18 (III) THE HOMEOWNERS ASSOCIATION MAY RETAIN A
19 THIRD-PARTY VENDOR OR EMPLOY A COMMERCIAL TECHNOLOGY PLATFORM TO
20 CONDUCT THE ELECTION.

21 (B) INDIVIDUALS CONDUCTING AN ELECTION SHALL MAKE REASONABLE
22 EFFORTS TO ENSURE THAT THE ELECTION IS FAIR AND THAT THERE IS
23 ACCOUNTABILITY FOR THE PROCESS AND THE RESULTS OF THE ELECTION.

24 (C) A LOT OWNER DESIGNATED TO CONDUCT AN ELECTION WHO ACTS IN
25 GOOD FAITH HAS NO PERSONAL LIABILITY IN CONNECTION WITH THE CONDUCT OF
26 AN ELECTION.

27 (D) PROVISIONS OF THE GOVERNING DOCUMENTS, RULES, OR
28 REGULATIONS OF A HOMEOWNERS ASSOCIATION RELATING TO THE CONDUCT OF
29 ELECTIONS THAT ARE INCONSISTENT WITH THE REQUIREMENTS OF THIS SECTION
30 ARE VOID AND UNENFORCEABLE.

1 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
2 October 1, 2025.