

HOUSE BILL 841

N1
HB 295/25 – ENT

6lr1700

By: **Delegate Holmes**

Introduced and read first time: February 4, 2026

Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Real Property – Condominiums and Homeowners Associations – Governing**
3 **Bodies and Annual Meetings**

4 FOR the purpose of requiring that unit owners or lot owners have an opportunity to
5 comment during certain meetings convened by the board of directors, the developer,
6 or the declarant of a condominium or a homeowners association; requiring the
7 developer of a condominium to appoint certain persons to the board of directors for
8 the council of unit owners and to establish a board of directors if no board of directors
9 has been established; requiring a declarant to appoint certain persons to the
10 governing body of a homeowners association and to establish a governing body of the
11 homeowners association if no governing body has been established; requiring a
12 council of unit owners and a homeowners association to maintain certain books and
13 records; making certain provisions of law applicable to the accounts of a
14 condominium or a homeowners association; and generally relating to the governing
15 bodies of condominium councils of unit owners and homeowners associations.

16 BY repealing and reenacting, with amendments,
17 Article – Real Property
18 Section 11–108(c)(1), 11–109(a) and (c), 11–109.4(c)(2), 11–116, 11B–106.1, 11B–111,
19 11B–111.6(d), and 11B–112(a) and (b)(2)
20 Annotated Code of Maryland
21 (2023 Replacement Volume and 2025 Supplement)

22 BY repealing and reenacting, without amendments,
23 Article – Real Property
24 Section 11–109(b), 11–114.1(d), 11–132, and 11B–101(a), (c), and (d)
25 Annotated Code of Maryland
26 (2023 Replacement Volume and 2025 Supplement)

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

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



Article – Real Property

11–108.

(c) (1) This subsection does not apply to any meetings of unit owners occurring at any time before the unit owners elect officers or a board of directors in accordance with [§ 11–109(c)(16)] **§ 11–109(C)(18)** of this title.

11–109.

(a) **(1)** The affairs of the condominium shall be governed by a council of unit owners which, even if unincorporated, is constituted a legal entity for all purposes.

(2) The council of unit owners shall [be comprised of] **COMPRISE** all unit owners.

(b) The bylaws may authorize or provide for the delegation of any power of the council of unit owners to a board of directors, officers, managing agent, or other person for the purpose of carrying out the responsibilities of the council of unit owners.

(c) (1) A meeting of the council of unit owners or board of directors may not be held on less notice than required by this section.

(2) The council of unit owners shall maintain a current roster of names and addresses of each unit owner to which notice of meetings of the board of directors shall be sent at least annually.

(3) Each unit owner shall furnish the council of unit owners with his name and current mailing address. A unit owner may not vote at meetings of the council of unit owners until this information is furnished.

(4) A regular or special meeting of the council of unit owners may not be held on less than 10 nor more than 90 days':

(i) Written notice delivered or mailed to each unit owner at the address shown on the roster on the date of the notice; or

(ii) Notice sent to each unit owner by electronic transmission, if the requirements of § 11–139.1 of this title are met.

(5) Notice of special meetings of the board of directors shall be given:

(i) As provided in the bylaws; or

(ii) If the requirements of § 11–139.1 of this title are met, by electronic transmission.

(6) Except as provided in § 11–109.1 of this title, a meeting of a governing body shall be open and held at a time and location as provided in the notice or bylaws.

(7) (i) This paragraph does not apply to any meeting of the governing body that occurs at any time before the meeting at which the unit owners elect officers or a board of directors in accordance with paragraph [(16)] **(18)** of this subsection.

(ii) Subject to subparagraph (iii) of this paragraph and to reasonable rules adopted by the governing body under § 11–111 of this title, a governing body shall provide a designated period of time during [a] **EACH** meeting to allow unit owners an opportunity to comment on any matter relating to the condominium.

(iii) During a meeting at which the agenda is limited to specific topics or at a special meeting, the unit owners' comments may be limited to the topics listed on the meeting agenda.

(iv) The governing body shall convene at least one meeting each year at which [the]:

1. **THE** agenda is open to any matter relating to the condominium; AND

2. **THE UNIT OWNERS HAVE AN OPPORTUNITY TO PROVIDE COMMENT.**

(8) UNTIL A MEETING IS HELD IN ACCORDANCE WITH PARAGRAPH (18) OF THIS SUBSECTION AT WHICH THE UNIT OWNERS ELECT OFFICERS OR A BOARD OF DIRECTORS, THE BOARD OF DIRECTORS OR THE DEVELOPER SHALL CONVENE AT LEAST ONE MEETING EACH YEAR AT WHICH:

(I) THE AGENDA IS OPEN TO ANY MATTER RELATING TO THE CONDOMINIUM; AND

(II) THE UNIT OWNERS HAVE AN OPPORTUNITY TO PROVIDE COMMENT.

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

(ii) If the number of persons present in person or by proxy at a properly called meeting of the council of unit owners is insufficient to constitute a quorum, an additional meeting of the council of unit owners may be called for the same purpose if:

1. The notice of the initial properly called meeting stated:

A. That the procedure authorized by this paragraph might be invoked; and

B. The date, time, and place of the additional meeting; and

2. A majority of the unit owners present vote in person or by proxy to call for the additional meeting.

(iii) 1. An additional meeting called under subparagraph (ii) of this paragraph shall occur not less than 15 days after the initial properly called meeting.

2. Not less than 10 days before the additional meeting, a separate and distinct notice of the date, time, place, and purpose of the additional meeting called under subparagraph (ii) of this paragraph shall be:

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

B. Advertised in a newspaper published in the county where the condominium is located; or

C. If the condominium has a website, posted on the homepage of the website.

3. The notice shall contain the quorum and voting provisions of subparagraph (iv) of this paragraph.

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

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

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

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

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

1 ~~[(9)]~~ **(10)** At meetings of the council of unit owners each unit owner shall
2 be entitled to cast the number of votes appurtenant to his unit. Unit owners may vote by
3 proxy, but the proxy is effective only for a maximum period of 180 days following its
4 issuance, unless granted to a lessee or mortgagee.

5 ~~[(10)]~~ **(11)** Any proxy may be revoked at any time at the pleasure of the unit
6 owner or unit owners executing the proxy.

7 ~~[(11)]~~ **(12)** A proxy who is not appointed to vote as directed by a unit owner
8 may only be appointed for purposes of meeting quorums and to vote for matters of business
9 before the council of unit owners, other than an election of officers and members of the
10 board of directors.

11 ~~[(12)]~~ **(13)** Only a unit owner voting in person or by electronic transmission
12 if the requirements of § 11-139.2 of this title are met or a proxy voting for candidates
13 designated by a unit owner may vote for officers and members of the board of directors.

14 ~~[(13)]~~ **(14)** Unless otherwise provided in the bylaws, a unit owner may
15 nominate himself or any other person to be an officer or member of the board of directors.
16 A call for nominations shall be sent to all unit owners not less than 45 days before notice of
17 an election is sent. Only nominations made at least 15 days before notice of an election shall
18 be listed on the election ballot. Candidates shall be listed on the ballot in alphabetical order,
19 with no indicated candidate preference. Nominations may be made from the floor at the
20 meeting at which the election to the board is held.

21 ~~[(14)]~~ **(15)** Election materials prepared with funds of the council of unit
22 owners shall list candidates in alphabetical order and may not indicate a candidate
23 preference.

24 ~~[(15)]~~ **(16)** Unless otherwise provided in this title, and subject to provisions
25 in the bylaws requiring a different majority, decisions of the council of unit owners shall be
26 made on a majority of votes of the unit owners listed on the current roster present and
27 voting.

28 **(17) (i) IF THERE IS A BOARD OF DIRECTORS FOR THE COUNCIL OF**
29 **UNIT OWNERS ALREADY ESTABLISHED BY THE DEVELOPER, WITHIN 30 DAYS AFTER**
30 **THE DATE ON WHICH UNITS REPRESENTING 25 PERCENT OF THE VOTES IN THE**
31 **CONDOMINIUM HAVE BEEN CONVEYED BY THE DEVELOPER TO MEMBERS OF THE**
32 **PUBLIC FOR RESIDENTIAL PURPOSES, THE DEVELOPER SHALL APPOINT AT LEAST**
33 **ONE MEMBER TO THAT BOARD OF DIRECTORS WHO IS:**

34 **1. A UNIT OWNER; AND**

35 **2. NOT OTHERWISE AFFILIATED WITH THE DEVELOPER.**

(II) IF NO BOARD OF DIRECTORS FOR THE COUNCIL OF UNIT OWNERS HAS BEEN ESTABLISHED BY THE DEVELOPER WITHIN 30 DAYS AFTER THE DATE ON WHICH UNITS REPRESENTING 25 PERCENT OF THE VOTES IN THE CONDOMINIUM HAVE BEEN CONVEYED BY THE DEVELOPER TO MEMBERS OF THE PUBLIC FOR RESIDENTIAL PURPOSES, THE DEVELOPER SHALL ESTABLISH A BOARD OF DIRECTORS FOR THE COUNCIL OF UNIT OWNERS AND SHALL APPOINT AT LEAST ONE MEMBER TO THAT BOARD OF DIRECTORS WHO IS:

1. A UNIT OWNER; AND

2. NOT OTHERWISE AFFILIATED WITH THE DEVELOPER.

(III) THE DETERMINATION OF WHEN UNITS REPRESENTING 25 PERCENT OF THE VOTES IN AN EXPANDABLE CONDOMINIUM SUBJECT TO § 11-120 OF THIS TITLE HAVE BEEN CONVEYED BY THE DEVELOPER TO MEMBERS OF THE PUBLIC FOR RESIDENTIAL PURPOSES SHALL BE BASED ON THE TOTAL NUMBER OF UNITS THAT MAY BE SUBJECT TO THE DECLARATION ON FULL EXPANSION OF THE CONDOMINIUM, AS IDENTIFIED IN THE DECLARATION.

[(16)] (18) (i) A meeting of the council of unit owners to elect a board of directors for the council of unit owners, as provided in the condominium declaration or bylaws, shall be held within:

1. 60 days from the date that units representing 50 percent of the votes in the condominium have been conveyed by the developer to members of the public for residential purposes; or

2. If a lesser percentage is specified in the declaration or bylaws of the condominium, 60 days from the date the specified lesser percentage of units in the condominium are sold to members of the public for residential purposes.

(ii) 1. Before the date of the meeting held under subparagraph (i) of this paragraph, the developer shall deliver to each unit owner notice that the requirements of subparagraph (i) of this paragraph have been met.

2. The notice shall include the date, time, and place of the meeting to elect the board of directors for the council of unit owners.

(iii) If a replacement board member is elected, the term of each member of the board of directors appointed by the developer shall end 10 days after the meeting is held as specified in subparagraph (i) of this paragraph.

(iv) Within 30 days from the date of the meeting held under subparagraph (i) of this paragraph, the developer shall deliver to the officers or board of directors for the council of unit owners, as provided in the condominium declaration or bylaws, at the developer's expense:

1 1. The documents specified in § 11–132 of this title;

2 2. The condominium funds, including operating funds,
3 replacement reserves, investment accounts, and working capital;

4 3. The tangible property of the condominium; and

5 4. A roster of current unit owners, including mailing
6 addresses, telephone numbers, and unit numbers, if known.

7 (v) The replacement reserves delivered under subparagraph (iv)2 of
8 this paragraph for a residential condominium shall be equal to at least the reserve funding
9 amount recommended in the reserve study completed under § 11–109.4 of this title as of
10 the date of the meeting.

11 (vi) 1. This subparagraph does not apply to a contract entered
12 into before October 1, 2009.

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

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

18 3. Until all members of the board of directors of the
19 condominium are elected by the unit owners at a transitional meeting as specified in
20 subparagraph (i) of this paragraph, a contract entered into by the officers or board of
21 directors of the condominium may be terminated, at the discretion of the board of directors
22 and without liability for the termination, not later than 30 days after notice.

23 (vii) If the developer fails to comply with the requirements of this
24 paragraph, an aggrieved unit owner may submit the dispute to the Division of Consumer
25 Protection of the Office of the Attorney General under § 11–130(c) of this title.

26 **[(17)] (19)** (i) Elections, including the collection and counting of ballots
27 and the certifying of results, for officers or members of the governing body other than the
28 full membership of the council of unit owners shall be conducted by independent parties
29 who:

30 1. Are not candidates in the election; and

31 2. Do not have a conflict of interest regarding any candidate
32 in the election.

33 (ii) A unit owner is an independent party if the unit owner:

1. Complies with the requirements of this section;

2. Does not electioneer for any candidate; and

3. Is not subject to an objection by more than 25 percent of the eligible voting members of the council of unit owners.

(iii) Unless property management for a condominium is owned by the condominium, or a parent association of the condominium, representatives of the condominium's property management are not independent parties.

[(18)] (20) The governing body may retain a third-party vendor or employ a commercial technology platform to conduct an election.

[(19)] (21) Individuals conducting an election shall make reasonable efforts to ensure that the election is fair and that there is accountability for the process and the results of the election.

[(20)] (22) A unit owner designated to conduct an election who acts in good faith is not personally liable in connection with the conduct of the election.

[(21)] (23) (i) The governing body shall make reasonable accommodations, including reasonable use of any portion of common areas, for unit owners to engage in organizing activities relating to governance of the condominium.

(ii) The governing body may not prevent unit owners from or retaliate against unit owners for exercising rights guaranteed under law or under the governing documents of the condominium.

[(22)] (24) Provisions of the governing documents, rules, or regulations of a condominium relating to the conduct of elections that are inconsistent with the requirements of this section are unenforceable and void.

11-109.4.

(c) (2) The governing body of the condominium shall have an independent reserve study completed not less than 30 calendar days before the meeting of the council of unit owners required under **[(§ 11-109(c)(16))] § 11-109(C)(18)** of this title.

11-114.1.

(d) A copy of the fidelity insurance policy or fidelity bond shall be included in the books and records kept and made available by the council of unit owners under § 11-116 of this title.

1 11–116.

2 (a) The council of unit owners shall keep books and records **BEGINNING ON THE**
3 **DATE THE COUNCIL OF UNIT OWNERS IS ESTABLISHED** in accordance with good
4 accounting practices on a consistent basis.

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

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

15 **2. ALL BOOKS AND RECORDS KEPT BY THE COUNCIL OF**
16 **UNIT OWNERS SHALL BE MAINTAINED SEPARATE AND APART FROM THE BOOKS AND**
17 **RECORDS OF THE DEVELOPER OR OF ANY OTHER PERSON.**

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

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

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

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

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

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

3 (ii) An individual's medical records;

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

7 (iv) Records relating to business transactions that are currently in
8 negotiation;

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

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

14 (d) (1) (i) Except as otherwise provided in this subsection, the council of
15 unit owners may impose a reasonable charge on a person desiring to review or copy the
16 books and records of the condominium or who requests delivery of information.

17 (ii) The council of unit owners may not impose any charges under
18 this section other than those authorized under subparagraph (i) of this paragraph.

19 (2) A unit owner may not be charged for:

20 (i) Examining the financial statements of the condominium in
21 person where the financial statements are maintained in accordance with subsection
22 (c)(1)(i) of this section; or

23 (ii) Receiving the financial statements of the condominium through
24 electronic transmission in accordance with subsection (c)(1)(ii) of this section.

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

28 11-132.

29 On transfer of control by the developer to the council of unit owners, the developer
30 shall turn over documents including:

31 (1) Copies of the condominium's filed articles of incorporation, recorded
32 declaration, and all recorded covenants, bylaws, plats, and restrictions of the condominium;

(2) Subject to the restrictions of § 11–116 of this title, all books and records of the condominium, including financial statements, minutes of any meeting of the governing body, and completed business transactions;

(3) Any policies, rules, and regulations adopted by the governing body;

(4) The financial records of the condominium from the date of creation to the date of transfer of control, including budget information regarding estimated and actual expenditures by the condominium and any report relating to the reserves required for major repairs and replacement of the common elements of the condominium;

(5) A copy of all contracts to which the condominium is a party;

(6) The name, address, and telephone number of any contractor or subcontractor employed by the condominium;

(7) Any insurance policies in effect and all prior insurance policies;

(8) Any permit or notice of code violation issued to the condominium by the county, local, State, or federal government;

(9) Any warranty in effect;

(10) Drawings, architectural plans, or other suitable documents setting forth the necessary information for location, maintenance, and repair of all condominium facilities; and

(11) Individual owner files and records, including assessment account records, correspondence, and notices of any violations.

11B–101.

(a) In this title the following words have the meanings indicated, unless the context requires otherwise.

(c) “Declarant” means any person who subjects property to a declaration.

(d) (1) “Declaration” means an instrument, however denominated, recorded among the land records of the county in which the property of the declarant is located, that creates the authority for a homeowners association to impose on lots, or on the owners or occupants of lots, or on another homeowners association, condominium, or cooperative housing corporation any mandatory fee in connection with the provision of services or otherwise for the benefit of some or all of the lots, the owners or occupants of lots, or the common areas.

(2) “Declaration” includes any amendment or supplement to the instruments described in paragraph (1) of this subsection.

(3) "Declaration" does not include a private right-of-way or similar agreement unless it requires a mandatory fee payable annually or at more frequent intervals.

11B-106.1.

(A) (1) THE PROVISIONS OF THIS SUBSECTION APPLY TO A DEVELOPMENT THAT CONTAINS MORE THAN 12 LOTS.

(2) IF THERE IS A BOARD OF DIRECTORS FOR THE HOMEOWNERS ASSOCIATION ALREADY ESTABLISHED BY THE DECLARANT, WITHIN 30 DAYS AFTER THE DATE THAT 25% OF THE MAXIMUM NUMBER OF LOTS CURRENTLY PLANNED OR PERMITTED TO BE CONTAINED WITHIN THE DEVELOPMENT HAVE BEEN CONVEYED TO MEMBERS OF THE PUBLIC FOR RESIDENTIAL PURPOSES, THE DECLARANT SHALL APPOINT AT LEAST ONE MEMBER TO THAT BOARD OF DIRECTORS WHO IS:

(I) A LOT OWNER; AND

(II) NOT OTHERWISE AFFILIATED WITH THE DECLARANT OR A VENDOR OF LOTS IN THE DEVELOPMENT.

(3) IF NO BOARD OF DIRECTORS FOR THE HOMEOWNERS ASSOCIATION HAS BEEN ESTABLISHED BY THE DECLARANT WHEN 25% OF THE MAXIMUM NUMBER OF LOTS CURRENTLY PLANNED OR PERMITTED TO BE CONTAINED WITHIN THE DEVELOPMENT HAVE BEEN CONVEYED TO MEMBERS OF THE PUBLIC FOR RESIDENTIAL PURPOSES, THE DECLARANT SHALL ESTABLISH A BOARD OF DIRECTORS AND SHALL APPOINT AT LEAST ONE MEMBER TO THAT BOARD OF DIRECTORS WHO IS:

(I) A LOT OWNER; AND

(II) NOT OTHERWISE AFFILIATED WITH THE DECLARANT OR A VENDOR OF LOTS IN THE DEVELOPMENT.

(4) THE DETERMINATION OF WHEN 25% OF THE MAXIMUM NUMBER OF LOTS CURRENTLY PLANNED OR PERMITTED TO BE CONTAINED WITHIN THE DEVELOPMENT HAVE BEEN CONVEYED TO MEMBERS OF THE PUBLIC FOR RESIDENTIAL PURPOSES SHALL BE BASED ON THE INFORMATION SUPPLIED BY THE VENDOR UNDER § 11B-105(B)(3)(I) OF THIS TITLE.

[(a)] (B) A meeting of the members of the homeowners association to elect a governing body of the homeowners association shall be held within:

1 (1) 60 days from the date that at least 75% of the total number of lots that
2 may be part of the development after all phases are complete are sold to members of the
3 public for residential purposes; or

4 (2) If a lesser percentage is specified in the governing documents of the
5 homeowners association, 60 days from the date the specified lesser percentage of the total
6 number of lots in the development after all phases are complete are sold to members of the
7 public for residential purposes.

8 **[(b)] (C)** (1) Before the date of the meeting held under subsection **[(a)] (B)** of
9 this section, the declarant shall deliver to each lot owner notice that the requirements of
10 subsection **[(a)] (B)** of this section have been met.

11 (2) The notice shall include the date, time, and place of the meeting to elect
12 the governing body of the homeowners association.

13 **[(c)] (D)** The term of each member of the governing body of the homeowners
14 association appointed by the declarant shall end 10 days after the meeting under subsection
15 **[(a)] (B)** of this section is held, if a replacement board member is elected.

16 **[(d)] (E)** Within 30 days from the date of the meeting held under subsection **[(a)]**
17 **(B)** of this section, the declarant shall deliver the following items to the governing body at
18 the declarant's expense:

19 (1) The deeds to the common areas;

20 (2) Copies of the homeowners association's filed articles of incorporation,
21 declaration, and all recorded covenants, plats, restrictions, and any other records of the
22 primary development and of related developments;

23 (3) A copy of the bylaws and rules of the primary development and of other
24 related developments as filed in the depository of the county in which the development is
25 located;

26 (4) The minute books, including all minutes;

27 (5) Subject to the restrictions of § 11B-112 of this title, all books and
28 records of the homeowners association, including financial statements, minutes of any
29 meeting of the governing body, and completed business transactions;

30 (6) Any policies, rules, and regulations adopted by the governing body;

31 (7) The financial records of the homeowners association from the date of
32 creation to the date of transfer of control, including budget information regarding estimated
33 and actual expenditures by the homeowners association and any report relating to the

1 reserves required for major repairs and replacement of the common areas of the
2 homeowners association;

3 (8) A copy of all contracts to which the homeowners association is a party;

4 (9) The name, address, and telephone number of any contractor or
5 subcontractor employed by the homeowners association;

6 (10) Any insurance policies in effect;

7 (11) Any permit or notice of code violations issued to the homeowners
8 association by the county, local, State, or federal government;

9 (12) Any warranty in effect and all prior insurance policies;

10 (13) The homeowners association funds, including operating funds,
11 replacement reserves, investment accounts, and working capital;

12 (14) The tangible property of the homeowners association;

13 (15) A roster of current lot owners, including their mailing addresses,
14 telephone numbers, and lot numbers, if known;

15 (16) Individual member files and records, including assessment account
16 records, correspondence, and notices of any violations; and

17 (17) Drawings, architectural plans, or other suitable documents setting
18 forth the necessary information for location, maintenance, and repairs of all common areas.

19 **[(e)] (F)** The replacement reserves delivered under subsection **[(d)(13)] (E)(13)**
20 of this section shall be equal to at least the reserve funding amount recommended in the
21 reserve study completed under § 11B–112.3 of this title as of the date of the meeting.

22 **[(f)] (G)** (1) This subsection does not apply to a contract entered into before
23 October 1, 2009.

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

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

29 (3) Until all members of the governing body are elected by the lot owners
30 at a transitional meeting under subsection **[(a)] (B)** of this section, a contract entered into
31 by the governing body may be terminated, at the discretion of the governing body and
32 without liability for the termination, not later than 30 days after notice.

1 **[(g)] (H)** If the declarant fails to comply with the requirements of this section, an
2 aggrieved lot owner may submit the dispute to the Division of Consumer Protection of the
3 Office of the Attorney General under § 11B–115(c) of this title.

4 11B–111.

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

7 (1) Subject to the provisions of item **[(4)] (5)** of this section, all meetings of
8 the homeowners association, including meetings of the board of directors or other governing
9 body of the homeowners association or a committee of the homeowners association, shall
10 be open to all members of the homeowners association or their agents;

11 (2) All members of the homeowners association shall be given reasonable
12 notice of all regularly scheduled open meetings of the homeowners association;

13 (3) (i) This item does not apply to any meeting of a governing body that
14 occurs at any time before the lot owners, other than the developer, have a majority of votes
15 in the homeowners association, as provided in the declaration;

16 (ii) Subject to item (iii) of this item and to reasonable rules adopted
17 by **[a] THE** governing body, **[a] THE** governing body shall provide a designated period of
18 time during **[a] EACH** meeting to allow lot owners an opportunity to comment on any
19 matter relating to the homeowners association;

20 (iii) During a meeting at which the agenda is limited to specific topics
21 or at a special meeting, the lot owners' comments may be limited to the topics listed on the
22 meeting agenda; and

23 (iv) The governing body shall convene at least one meeting each year
24 at which **[the]**:

25 1. **THE** agenda is open to any matter relating to the
26 homeowners association; **AND**

27 2. **THE LOT OWNERS HAVE AN OPPORTUNITY TO**
28 **PROVIDE COMMENT;**

29 (4) **UNTIL THE LOT OWNERS, OTHER THAN THE DEVELOPER, HAVE A**
30 **MAJORITY OF VOTES IN THE HOMEOWNERS ASSOCIATION, AS PROVIDED IN THE**
31 **DECLARATION, THE BOARD OF DIRECTORS OR THE DECLARANT SHALL CONVENE AT**
32 **LEAST ONE MEETING EACH YEAR AT WHICH:**

1 **(I) THE AGENDA IS OPEN TO ANY MATTER RELATING TO THE**
2 **HOMEOWNERS ASSOCIATION; AND**

3 **(II) THE LOT OWNERS HAVE AN OPPORTUNITY TO PROVIDE**
4 **COMMENT;**

5 **[(4)] (5)** A meeting of the board of directors or other governing body of the
6 homeowners association or a committee of the homeowners association may be held in
7 closed session only for the following purposes:

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

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

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

12 (iv) Consultation with staff personnel, consultants, attorneys, board
13 members, or other persons in connection with pending or potential litigation or other legal
14 matters;

15 (v) Investigative proceedings concerning possible or actual criminal
16 misconduct;

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

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

23 (viii) Discussion of individual owner assessment accounts;

24 **[(5)] (6)** If a meeting is held in closed session under item **[(4)] (5)** of this
25 section:

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

28 (ii) A statement of the time, place, and purpose of a closed meeting,
29 the record of the vote of each board or committee member by which the meeting was closed,
30 and the authority under this section for closing a meeting shall be included in the minutes
31 of the next meeting of the board of directors or the committee of the homeowners
32 association; and

1 [(6)] (7) (i) If the number of lot owners present in person or by proxy
2 at a properly called meeting is insufficient to constitute a quorum, an additional meeting
3 of the lot owners may be called for the same purpose if:

4 1. The notice of the initial properly called meeting stated:

5 A. That the procedure authorized by this item [(6)] (7) might
6 be invoked; and

7 B. The date, time, and place of the additional meeting; and

8 2. A majority of the lot owners present vote in person or by
9 proxy to call for the additional meeting;

10 (ii) An additional meeting called under item (i) of this item shall
11 occur not less than 15 days after the initial properly called meeting;

12 (iii) 1. Not less than 10 days before the additional meeting, a
13 separate and distinct notice of the date, time, place, and purpose of the additional meeting
14 called under item (i) of this item shall be:

15 A. Delivered, mailed, or sent by electronic transmission, if
16 the requirements of § 11B–113.1 of this title are met, to each lot owner at the address shown
17 on the roster maintained by the homeowners association;

18 B. Advertised in a newspaper published in the county where
19 the homeowners association is located; or

20 C. If the homeowners association has a website, posted on the
21 homepage of the website; and

22 2. The notice shall contain the quorum and voting provisions
23 of item (iv) of this item;

24 (iv) 1. At the additional meeting, the lot owners present in
25 person or by proxy constitute a quorum; and

26 2. Unless the bylaws provide otherwise, a majority of the lot
27 owners present in person or by proxy:

28 A. May approve or authorize the proposed action at the
29 additional meeting; and

30 B. May take any other action that could have been taken at
31 the original meeting if a sufficient number of lot owners had been present; and

(v) This item [(6)] (7) may not be construed to affect the percentage of votes required to amend the declaration or bylaws or to take any other action required to be taken by a specified percentage of votes.

11B-111.6.

(d) A copy of the fidelity insurance policy or fidelity bond shall be included in the books [and], records, AND ACCOUNTS kept and made available by or on behalf of the homeowners association under § 11B-112 of this title.

11B-112.

(a) **(1) (I) THE HOMEOWNERS ASSOCIATION SHALL MAINTAIN BOOKS AND RECORDS BEGINNING ON THE DATE THE HOMEOWNERS ASSOCIATION IS ESTABLISHED.**

(II) ALL BOOKS AND RECORDS KEPT BY THE HOMEOWNERS ASSOCIATION SHALL BE MAINTAINED SEPARATE AND APART FROM THE BOOKS AND RECORDS OF THE DECLARANT OR OF ANY OTHER PERSON.

[(1)] (2) (i) Subject to the provisions of paragraph [(2)] (3) of this subsection, all books and records kept by or on behalf of the homeowners association shall be made available for examination or copying, or both, by a lot owner, a lot owner's mortgagee, or their respective duly authorized agents or attorneys, during normal business hours, and after reasonable notice.

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

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

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

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

1 **[(2)] (3)** Books and records kept by or on behalf of a homeowners
2 association may be withheld from public inspection, except for inspection by the person who
3 is the subject of the record or the person's designee or guardian, to the extent that they
4 concern:

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

7 (ii) An individual's medical records;

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

11 (iv) Records relating to business transactions that are currently in
12 negotiation;

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

14 (vi) Minutes of a closed meeting of the governing body of the
15 homeowners association, unless a majority of a quorum of the governing body of the
16 homeowners association that held the meeting approves unsealing the minutes or a
17 recording of the minutes for public inspection.

18 (b) (2) A lot owner may not be charged for:

19 (i) Examining the financial statements of the homeowners
20 association in person where the financial statements are maintained in accordance with
21 subsection **[(a)(1)(i)] (A)(2)(I)** of this section, unless the financial statements are located in
22 a depository; or

23 (ii) Receiving the financial statements of the homeowners
24 association through electronic transmission in accordance with subsection **[(a)(1)(iii)]**
25 **(A)(2)(III)** of this section.

26 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
27 October 1, 2026.