

SB535 Sponsor Testimony.pdf

Uploaded by: King, Senator Nancy

Position: FAV

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THE SENATE OF MARYLAND
ANNAPOLIS, MARYLAND 21401

SPONSOR STATEMENT

Senate Bill 535 – Condominiums and Homeowners Associations – Meeting Requirements

February 26, 2021

Mister Chairman and Members of the Judicial Proceedings Committee:

Under current law, Condominium and Homeowners Associations must meet annually. If a quorum (25%) is not met, a second meeting can be held and those in attendance will constitute a quorum. Some associations have taken the letter of the law over the intent of the law and hold the second meeting immediately after the first, thereby denying the other owners the opportunity to rectify the non-quorum vote.

Senate Bill 535 will clarify that if a quorum is not obtained at the annual meeting, a second separate must be held no sooner than 15 days after the first meeting and advertised with no less than a 10-day notification period.

For convenience and timeliness, Senate Bill 535 also adds additional notification processes. Notifications can be mailed, emailed, published in the newspaper or posted to a website if the association maintains one.

Homeowners who live in properties that are part of associations should have every opportunity to take part in the association's annual meetings and so I respectfully request a favorable report on Senate Bill 535.

VANGUARD Senate testimony - SB535.pdf

Uploaded by: Wilson, Craig

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VANGUARD MANAGEMENT

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February 9, 2021

Honorable William C. Smith, Jr., Chair
Senate Judicial Proceedings Committee
2 East, Miller Senate Office Building
Annapolis MD 21401

Re: **SB 535** – Condominiums and Homeowners Associations – Meeting Requirements

Position: Support Hearing: February 18, 2021

Dear Senator Smith and Members of the Committee,

I am offering this testimony in support of SB 535 introduced by Senator Nancy J. King. This bill is cross-filed in the House as HB593. The legislation was passed overwhelmingly by the House of Delegates in the 2019 session and, regrettably, never received committee attention in the Senate.

Maryland condominiums and homeowner associations (HOAs) hold annual election meetings and, I would contend that it is more common than not that the a quorum for the conduct of business is not reached. Most HOAs in Maryland are incorporated giving them access to §5-206 of the Corporations and Associations Article and allowing for a subsequent meeting at which a quorum is achieved by whomever attends - if a legal notice is published "*...in a newspaper published in the county where the principal office of the corporation is located*".¹ The MD Condo Act was amended several years ago to add the language at §11-109 (c)(8) to permit a subsequent meeting at which a quorum is achieved by whomever attends if a specific notice is "*... delivered, mailed, or sent by electronic transmission...*" to all unit owners.

There has been controversy over some condominiums using a process whereby the required §11-109 (c)(8) notice is incorporated into the main annual meeting notice and the "subsequent" meeting is convened immediately (***within minutes***) after the first meeting. It is certainly likely that this was not the legislative intent for the language of §11-109 (c)(8).

There has recently been a case (***Jones v Georgian Colonies Condominium Association***), before the Montgomery County Commission on Common Ownership Communities (CCOC), where the hearing panel interpreted the Condominium Act provision to require that the specified notice be given **AFTER** the initial meeting where a quorum was not achieved. Of course, this has no precedential value, ***but why not clarify the existing statutes to make the desired requirements clear?***

SB 535 is intended to do just that.

¹ A cumbersome process that is relatively expensive for smaller HOAs and largely unseen by those it is intended to reach.



Honorable William C. Smith, Jr., Chair
Judicial Proceedings Committee
February 9, 2021
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This bill amends the Condominium Act to clearly delineate that there will be both a **separate notice** and a **separate meeting**. The bill also adds new language to the Maryland Homeowners Association Act at §11B-111(6) now creating an HOA specific process mirroring the process in the Condominium Act. The language of SB 535 also provides, for both Condominiums and HOAs, that a notice may be “advertised in a newspaper published in the county where the ... association is located” or “if the ...association has a website, posted on the homepage of the website”, processes that would certainly be more economical for larger community associations.

I encourage the Committee to issue a favorable report for SB 535.

Sincerely,
VANGUARD MANAGEMENT ASSOCIATES, INC.

Craig F. Wilson, Jr., CMCA®, AMS®, PCAM®
President

cc: Senator Nancy J. King

SB 535 Testimony- CAI- MD LAC.pdf

Uploaded by: Elmore, Kathleen

Position: FWA

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February 8, 2021

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Senator William C. Smith, Jr., Chair
Senator Jeff Waldstreicher, Vice Chair
Judicial Proceedings Committee
Miller Senate Office Building
Annapolis, Maryland 21401

Re: SB 535 (cf HB 593)
Condominiums and Homeowners Associations - Meeting Requirements
Position: SUPPORT WITH AMENDMENT
Hearing Date: February 26, 2021

Dear Chairman Smith, Vice Chair Waldstreicher, and Committee Members:

This letter is submitted on behalf of the Maryland Legislative Action Committee (“MD-LAC”) of the Community Associations Institute (“CAI”). CAI represents individuals and professionals who reside in or work with community associations (condominiums, homeowners’ associations, and cooperatives) throughout the State of Maryland.

We support SB 535 which clarifies that if a quorum is not obtained and an additional meeting is called, that the additional meeting shall not be held until a specified number of days has passed. We suggest one amendment to page 2, line 23 of the bill changing “15” to “10” to more closely follow the requirement that meetings may be held upon 10 days’ notice.

We are available to answer any questions the Committee Members may have. Please feel free to contact Lisa Harris Jones, lobbyist for the MD-LAC, at 410-366-1500, or by e-mail at lisa.jones@mdlobbyist.com, or Steven Randol, Chair of the MD-LAC, 410-279-8054, or by e-

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mail at srandol@pineorchard.com, or Kathleen Elmore, Assistant Treasurer, of the MD-LAC, at 410-320-6367, or by e-mail at kemore@elmore-throop.com.

Sincerely,

Kathleen M. Elmore
Kathleen Elmore, Esquire
Ass't Treas., CAI MD-LAC

Steven Randol
Steven Randol
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