

Chapter 500

(House Bill 593)

AN ACT concerning

Condominiums and Homeowners Associations – Meeting Requirements

FOR the purpose of making clarifying changes to certain additional meeting requirements for a council of unit owners; requiring notice of an initial properly called meeting of a council of unit owners to include certain information under certain circumstances; requiring an additional meeting of a council of unit owners to be held not earlier than a certain time; requiring a certain notice of an additional meeting of the council of unit owners to be delivered, advertised, or posted in a certain manner; authorizing an additional meeting of lot owners to be held under certain circumstances; requiring notice of an initial properly called meeting of the lot owners of a homeowners association to include certain information under certain circumstances; requiring an additional meeting of lot owners to be held not earlier than a certain time; requiring a certain notice of an additional meeting of the lot owners to be delivered, advertised, or posted in a certain manner; establishing certain quorum and approval requirements for an additional meeting of lot owners under certain circumstances; providing for the construction of certain provisions of this Act; and generally relating to meeting requirements in condominiums and homeowners associations.

BY repealing and reenacting, with amendments,
 Article – Real Property
 Section 11–109(c)(8) and 11B–111(4) and (5)
 Annotated Code of Maryland
 (2015 Replacement Volume and 2020 Supplement)

BY adding to
 Article – Real Property
 Section 11B–111(6)
 Annotated Code of Maryland
 (2015 Replacement Volume and 2020 Supplement)

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

Article – Real Property

11–109.

(c) (8) (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, **[another] 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 **[that]:**

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

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

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

(iii) 1. **[Fifteen days' notice] 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 **[delivered]:**

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.

[2.] 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.

11B-111.

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

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

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

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

(iii) Consultation with legal counsel on legal matters;

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

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

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

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

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

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

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

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

(6) (I) IF THE NUMBER OF LOT OWNERS PRESENT IN PERSON OR BY PROXY AT A PROPERLY CALLED MEETING IS INSUFFICIENT TO CONSTITUTE A QUORUM, AN ADDITIONAL MEETING OF THE LOT 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 ITEM (6) MIGHT BE INVOKED; AND

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

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

(II) AN ADDITIONAL MEETING CALLED UNDER ITEM (I) OF THIS ITEM SHALL OCCUR NOT LESS THAN 15 DAYS AFTER THE INITIAL PROPERLY CALLED MEETING;

(III) 1. 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 ITEM (I) OF THIS ITEM SHALL BE:

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

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

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

2. THE NOTICE SHALL CONTAIN THE QUORUM AND VOTING PROVISIONS OF ITEM (IV) OF THIS ITEM;

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

2. UNLESS THE BYLAWS PROVIDE OTHERWISE, A MAJORITY OF THE LOT 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 LOT OWNERS HAD BEEN PRESENT; AND

(V) THIS ITEM (6) 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.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2021.

Enacted under Article II, § 17(c) of the Maryland Constitution, May 30, 2021.