

SENATE BILL 535

N1
HB 1037/19 – ENT

1r1880
CF HB 593

By: **Senator King**

Introduced and read first time: January 26, 2021

Assigned to: Judicial Proceedings

A BILL ENTITLED

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 a 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 not earlier than
7 a certain time; requiring a certain notice of an additional meeting of the council of
8 unit owners to be delivered, 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 not earlier than a certain time; requiring
13 a certain notice of an additional meeting of the lot owners to be delivered, advertised,
14 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 2020 Supplement)

23 BY adding to
24 Article – Real Property
25 Section 11B–111(6)
26 Annotated Code of Maryland
27 (2015 Replacement Volume and 2020 Supplement)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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

3 **Article – Real Property**

4 11–109.

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

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

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

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

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

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

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

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

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

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

1 **C. IF THE CONDOMINIUM HAS A WEBSITE, POSTED ON**
2 **THE HOMEPAGE OF THE WEBSITE.**

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

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

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

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

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

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

16 11B-111.

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

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

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

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

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

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

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

31 (vi) Consideration of the terms or conditions of a business
32 transaction in the negotiation stage if the disclosure could adversely affect the economic

1 interests of the homeowners association;

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

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

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

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

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

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

18 **1. THE NOTICE OF THE INITIAL PROPERLY CALLED**
19 **MEETING STATED:**

20 **A. THAT THE PROCEDURE AUTHORIZED BY THIS ITEM**
21 **(6) MIGHT BE INVOKED; AND**

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

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

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

29 **(III) 1. NOT LESS THAN 10 DAYS BEFORE THE ADDITIONAL**
30 **MEETING, A SEPARATE AND DISTINCT NOTICE OF THE DATE, TIME, PLACE, AND**
31 **PURPOSE OF THE ADDITIONAL MEETING CALLED UNDER ITEM (I) OF THIS ITEM**
32 **SHALL BE:**

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

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

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

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

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

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

15 **A. MAY APPROVE OR AUTHORIZE THE PROPOSED**
16 **ACTION AT THE ADDITIONAL MEETING; AND**

17 **B. MAY TAKE ANY OTHER ACTION THAT COULD HAVE**
18 **BEEEN TAKEN AT THE ORIGINAL MEETING IF A SUFFICIENT NUMBER OF LOT OWNERS**
19 **HAD BEEN PRESENT; AND**

20 **(V) THIS ITEM (6) MAY NOT BE CONSTRUED TO AFFECT THE**
21 **PERCENTAGE OF VOTES REQUIRED TO AMEND THE DECLARATION OR BYLAWS OR TO**
22 **TAKE ANY OTHER ACTION REQUIRED TO BE TAKEN BY A SPECIFIED PERCENTAGE OF**
23 **VOTES.**

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