

HOUSE BILL 331

N1
HB 1147/22 – ENT

3lr1525

By: **Delegates Terrasa, Fair, and Hill**

Introduced and read first time: January 25, 2023

Assigned to: Environment and Transportation

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 9, 2023

CHAPTER _____

1 AN ACT concerning

2 **Real Property – Cooperative Housing Corporations, Condominiums, and**
3 **Homeowners Associations – Virtual Meetings**

4 FOR the purpose of requiring a person conducting a meeting of a cooperative housing
5 corporation, condominium, or homeowners association by telephone conference,
6 video conference, or similar electronic means to provide a participant a reasonable
7 opportunity to participate in the meeting; requiring certain participants in a meeting
8 of a cooperative housing corporation, condominium, or homeowners association to
9 have equal access to any available chat function; specifying that a meeting of a
10 cooperative housing corporation, condominium, or homeowners association by
11 electronic transmission ~~is a closed meeting and may be held only under certain~~
12 ~~circumstances~~ may be held only in accordance with certain provisions of law; and
13 generally relating to cooperative housing corporations, condominiums, and
14 homeowners associations.

15 BY repealing and reenacting, without amendments,
16 Article – Corporations and Associations
17 Section 5–6B–19
18 Annotated Code of Maryland
19 (2014 Replacement Volume and 2022 Supplement)

20 BY repealing and reenacting, with amendments,
21 Article – Corporations and Associations
22 Section 5–6B–25.1
23 Annotated Code of Maryland

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 (2014 Replacement Volume and 2022 Supplement)

2 BY repealing and reenacting, without amendments,
3 Article – Real Property
4 Section 11–109(c)(6), 11–109.1, and 11B–111
5 Annotated Code of Maryland
6 (2015 Replacement Volume and 2022 Supplement)

7 BY repealing and reenacting, with amendments,
8 Article – Real Property
9 Section 11–139.3 and 11B–113.6
10 Annotated Code of Maryland
11 (2015 Replacement Volume and 2022 Supplement)

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

14 **Article – Corporations and Associations**

15 5–6B–19.

16 (a) This section applies to any meeting of a cooperative housing corporation, the
17 governing body of a cooperative housing corporation, or a committee of a cooperative
18 housing corporation, notwithstanding anything contained in the documents of the
19 cooperative housing corporation.

20 (b) Subject to the provisions of subsection (e) of this section, all meetings of the
21 cooperative housing corporation shall be open to the members of the cooperative housing
22 corporation or their agents.

23 (c) All members shall be given reasonable notice of all regularly scheduled open
24 meetings of the cooperative housing corporation.

25 (d) (1) This subsection does not apply to a meeting of a governing body that
26 occurs at any time before the members, other than the developer, have a majority of votes
27 in the cooperative housing corporation.

28 (2) Subject to paragraph (3) of this subsection and to reasonable rules
29 adopted by a governing body, a governing body shall provide a designated period of time
30 during a meeting to allow members an opportunity to comment on any matter relating to
31 the cooperative housing corporation.

32 (3) During a meeting at which the agenda is limited to specific topics or at
33 a special meeting, the comments of members may be limited to the topics listed on the
34 meeting agenda.

1 (e) (1) A meeting of a cooperative housing corporation may be held in closed
2 session only for the purpose of:

3 (i) Discussing matters pertaining to employees and personnel;

4 (ii) Protecting the privacy or reputation of individuals in matters not
5 related to the business of the cooperative housing corporation;

6 (iii) Consulting with legal counsel on legal matters;

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

10 (v) Conducting investigative proceedings concerning possible or
11 actual criminal misconduct;

12 (vi) Considering the terms or conditions of a business transaction in
13 the negotiation stage if the disclosure could adversely affect the economic interests of the
14 cooperative housing corporation;

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

18 (viii) Discussing individual owner assessment accounts.

19 (2) If a meeting is held in closed session under paragraph (1) of this
20 subsection:

21 (i) An action may not be taken and a matter may not be discussed if
22 it is not permitted by paragraph (1) of this subsection; and

23 (ii) The minutes of the next meeting of the cooperative housing
24 corporation shall include:

25 1. A statement of the time, place, and purpose of a closed
26 meeting;

27 2. A record of the vote of each board or committee member by
28 which the meeting was closed; and

29 3. A statement of the authority under this subsection for
30 closing the meeting.

1 (a) (1) Notwithstanding language contained in the governing documents of the
2 cooperative housing corporation, the board of directors may authorize any meetings of the
3 cooperative housing corporation, the board of directors, or a committee of the cooperative
4 housing corporation to be conducted or attended by telephone conference, video conference,
5 or similar electronic means.

6 (2) If a meeting is conducted by telephone conference, video conference, or
7 similar electronic means[, the]:

8 (I) **THE** equipment or system used must permit any member, board
9 member, or committee member in attendance to hear and be heard by all other members
10 participating in the meeting **IN ACCORDANCE WITH THE GOVERNING DOCUMENTS;**

11 (II) **THE PERSON CONDUCTING THE MEETING SHALL ALLOW**
12 **ALL PARTICIPANTS A REASONABLE OPPORTUNITY TO:**

13 1. **BE HEARD BY ALL OTHER MEMBERS PARTICIPATING**
14 **IN THE MEETING; AND**

15 2. **PARTICIPATE IN THE MEETING TO THE SAME EXTENT**
16 **AS IF THE MEETING WERE CONDUCTED IN PERSON;**

17 (III) **PROVIDED THAT ALL PARTICIPANTS ARE GRANTED THE**
18 **ABILITY TO UNMUTE THEMSELVES, THE PERSON CONDUCTING THE MEETING OR**
19 **THE PERSON'S DESIGNEE MAY MUTE ALL PARTICIPANTS:**

20 1. **WHILE THE GOVERNING BODY OR ITS DESIGNEE IS**
21 **CONDUCTING BUSINESS;**

22 2. **DURING PRESENTATIONS; AND**

23 3. **TO AVOID INTERFERENCE FROM BACKGROUND**
24 **NOISE; AND**

25 (IV) **IF A PARTICIPANT INTERFERES IN THE ABILITY TO**
26 **CONDUCT THE MEETING, THE PERSON CONDUCTING THE MEETING OR THE**
27 **PERSON'S DESIGNEE MAY:**

28 1. **REVOKE THE ABILITY FOR THE PARTICIPANT TO**
29 **UNMUTE; AND**

30 2. **IF NECESSARY, REMOVE THE PARTICIPANT FROM THE**
31 **MEETING AFTER WARNING THE PARTICIPANT.**

1 (3) **IF A MEETING IS CONDUCTED BY VIDEO CONFERENCE OR SIMILAR**
2 **ELECTRONIC MEANS, ALL PARTICIPANTS SHALL HAVE THE SAME ACCESS TO ANY**
3 **CHAT FUNCTION.**

4 (4) A link or instructions on how to access the meeting by telephone
5 conference, video conference, or similar electronic means shall be included in the notice of
6 the meeting.

7 [(4)] (5) No specific authorization from members shall be required to hold
8 a meeting electronically.

9 (6) **A MEETING OF THE ~~BOARD OF DIRECTORS~~ GOVERNING BODY**
10 **HELD BY ELECTRONIC TRANSMISSION IS ~~DEEMED TO BE A CLOSED MEETING AND~~**
11 **MAY BE HELD ONLY IN ACCORDANCE WITH § 5-6B-19 OF THIS SUBTITLE.**

12 (b) Any member, board member, or committee member attending a meeting by
13 telephone conference, video conference, or similar electronic means shall be deemed present
14 for quorum and voting purposes.

15 (c) (1) (i) Any matter requiring a vote of the cooperative housing
16 corporation may be set by the board of directors for a vote at the meeting, and a ballot may
17 be delivered to members with notice of the meeting.

18 (ii) Only those members present during the telephone conference,
19 video conference, or similar electronic meeting shall be authorized to vote a ballot in
20 accordance with this subsection.

21 (iii) Members who are not present at the meeting may:

22 1. Vote by proxy in accordance with the requirements of the
23 governing documents and this title; and

24 2. Be considered present for quorum purposes through their
25 proxy.

26 (2) (i) The board of directors may set a reasonable deadline for return
27 of a ballot to the cooperative housing corporation, including return by electronic
28 transmission.

29 (ii) The deadline for return of the ballot shall be not later than 24
30 hours after the conclusion of the meeting.

31 (d) Notwithstanding language contained in the governing documents of the
32 cooperative housing corporation, nominations from the floor at the meeting are not required
33 if at least one candidate has been nominated to fill each open board position.

1 (e) The inability of a member to join a meeting due to technical difficulties with
2 the member's telephone, computer, or other electronic device does not invalidate the
3 meeting or any action taken at the meeting.

4 Article – Real Property

5 11–109.

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

8 11–109.1.

9 (a) A meeting of the board of directors may be held in closed session only for the
10 following purposes:

11 (1) Discussion of matters pertaining to employees and personnel;

12 (2) Protection of the privacy or reputation of individuals in matters not
13 related to the council of unit owners' business;

14 (3) Consultation with legal counsel on legal matters;

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

18 (5) Investigative proceedings concerning possible or actual criminal
19 misconduct;

20 (6) Consideration of the terms or conditions of a business transaction in the
21 negotiation stage if the disclosure could adversely affect the economic interests of the
22 council of unit owners;

23 (7) Complying with a specific constitutional, statutory, or judicially
24 imposed requirement protecting particular proceedings or matters from public disclosure;
25 or

26 (8) Discussion of individual owner assessment accounts.

27 (b) If a meeting is held in closed session under subsection (a) of this section:

28 (1) An action may not be taken and a matter may not be discussed if it is
29 not permitted by subsection (a) of this section; and

30 (2) A statement of the time, place, and purpose of any closed meeting, the
31 record of the vote of each board member by which any meeting was closed, and the authority

1 under this section for closing any meeting shall be included in the minutes of the next
2 meeting of the board of directors.

3 (c) Nothing in this section may be interpreted to authorize the board of directors
4 to withhold or agree to withhold from the unit owners the terms of any legal agreement to
5 which the council of unit owners is a party.

6 11-139.3.

7 (a) (1) Notwithstanding language contained in the governing documents of the
8 council of unit owners, the board of directors may authorize any meetings of the council of
9 unit owners, the board of directors, or a committee of the council of unit owners or the board
10 of directors to be conducted or attended by telephone conference, video conference, or
11 similar electronic means.

12 (2) If a meeting is conducted by telephone conference, video conference, or
13 similar electronic means[, the]:

14 (I) **THE** equipment or system used must permit any unit owner,
15 board member, or committee member in attendance to hear and be heard by all others
16 participating in the meeting **IN ACCORDANCE WITH THE GOVERNING DOCUMENTS;**

17 (II) **THE PERSON CONDUCTING THE MEETING SHALL ALLOW**
18 **ALL PARTICIPANTS A REASONABLE OPPORTUNITY TO:**

19 1. **BE HEARD BY ALL OTHERS PARTICIPATING IN THE**
20 **MEETING; AND**

21 2. **PARTICIPATE IN THE MEETING TO THE SAME EXTENT**
22 **AS IF THE MEETING WERE CONDUCTED IN PERSON;**

23 (III) **PROVIDED THAT ALL PARTICIPANTS ARE GRANTED THE**
24 **ABILITY TO UNMUTE THEMSELVES, THE PERSON CONDUCTING THE MEETING OR**
25 **THE PERSON'S DESIGNEE MAY MUTE ALL PARTICIPANTS:**

26 1. **WHILE THE GOVERNING BODY OR ITS DESIGNEE IS**
27 **CONDUCTING BUSINESS;**

28 2. **DURING PRESENTATIONS; AND**

29 3. **TO AVOID INTERFERENCE FROM BACKGROUND**
30 **NOISE; AND**

1 (IV) IF A PARTICIPANT INTERFERES IN THE ABILITY TO
2 CONDUCT THE MEETING, THE PERSON CONDUCTING THE MEETING OR THE
3 PERSON'S DESIGNEE MAY:

4 1. REVOKE THE ABILITY FOR THE PARTICIPANT TO
5 UNMUTE; AND

6 2. IF NECESSARY, REMOVE THE PARTICIPANT FROM THE
7 MEETING AFTER WARNING THE PARTICIPANT.

8 (3) IF A MEETING IS CONDUCTED BY VIDEO CONFERENCE OR SIMILAR
9 ELECTRONIC MEANS, ALL PARTICIPANTS SHALL HAVE THE SAME ACCESS TO ANY
10 CHAT FUNCTION.

11 (4) A link or instructions on how to access the meeting by telephone
12 conference, video conference, or similar electronic means shall be included in the notice of
13 the meeting.

14 [(4)] (5) No specific authorization from unit owners shall be required to
15 hold a meeting electronically.

16 (6) A MEETING OF THE ~~BOARD OF DIRECTORS~~ GOVERNING BODY
17 HELD BY ELECTRONIC TRANSMISSION ~~IS DEEMED TO BE A CLOSED MEETING AND~~
18 MAY BE HELD ONLY IN ACCORDANCE WITH ~~§ 11-109.1~~ § 11-109 OF THIS TITLE.

19 (b) Any unit owner, board member, or committee member attending a meeting by
20 telephone conference, video conference, or similar electronic means shall be deemed present
21 for quorum and voting purposes.

22 (c) (1) (i) Any matter requiring a vote of the council of unit owners may be
23 set by the board of directors for a vote at the meeting, and a ballot may be delivered to unit
24 owners with notice of the meeting.

25 (ii) Only those unit owners present during the telephone conference,
26 video conference, or similar electronic meeting shall be authorized to vote by ballot in
27 accordance with this subsection.

28 (iii) Unit owners who are not present at the meeting may:

29 1. Vote by proxy in accordance with the requirements of the
30 governing documents and this title; and

31 2. Be considered present for quorum purposes through their
32 proxy.

1 (2) (i) The board of directors may set a reasonable deadline for return
2 of a ballot to the council of unit owners, including return by electronic transmission.

3 (ii) The deadline for return of the ballot shall be not later than 24
4 hours after the conclusion of the meeting.

5 (d) Notwithstanding language contained in the governing documents of the
6 council of unit owners, nominations from the floor at the meeting are not required if at least
7 one candidate has been nominated to fill each open board position.

8 (e) The inability of a unit owner to join a meeting due to technical difficulties with
9 the unit owner's telephone, computer, or other electronic device does not invalidate the
10 meeting or any action taken at the meeting.

11 11B-111.

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

14 (1) Subject to the provisions of item (4) of this section, all meetings of the
15 homeowners association, including meetings of the board of directors or other governing
16 body of the homeowners association or a committee of the homeowners association, shall
17 be open to all members of the homeowners association or their agents;

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

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

23 (ii) Subject to item (iii) of this item and to reasonable rules adopted
24 by a governing body, a governing body shall provide a designated period of time during a
25 meeting to allow lot owners an opportunity to comment on any matter relating to the
26 homeowners association;

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

30 (iv) The governing body shall convene at least one meeting each year
31 at which the agenda is open to any matter relating to the homeowners association;

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

- 1 (i) Discussion of matters pertaining to employees and personnel;
- 2 (ii) Protection of the privacy or reputation of individuals in matters
3 not related to the homeowners association's business;
- 4 (iii) Consultation with legal counsel on legal matters;
- 5 (iv) Consultation with staff personnel, consultants, attorneys, board
6 members, or other persons in connection with pending or potential litigation or other legal
7 matters;
- 8 (v) Investigative proceedings concerning possible or actual criminal
9 misconduct;
- 10 (vi) Consideration of the terms or conditions of a business
11 transaction in the negotiation stage if the disclosure could adversely affect the economic
12 interests of the homeowners association;
- 13 (vii) Compliance with a specific constitutional, statutory, or judicially
14 imposed requirement protecting particular proceedings or matters from public disclosure;
15 or
- 16 (viii) Discussion of individual owner assessment accounts;
- 17 (5) If a meeting is held in closed session under item (4) of this section:
- 18 (i) An action may not be taken and a matter may not be discussed if
19 it is not permitted by item (4) of this section; and
- 20 (ii) A statement of the time, place, and purpose of a closed meeting,
21 the record of the vote of each board or committee member by which the meeting was closed,
22 and the authority under this section for closing a meeting shall be included in the minutes
23 of the next meeting of the board of directors or the committee of the homeowners
24 association; and
- 25 (6) (i) If the number of lot owners present in person or by proxy at a
26 properly called meeting is insufficient to constitute a quorum, an additional meeting of the
27 lot owners may be called for the same purpose if:
- 28 1. The notice of the initial properly called meeting stated:
- 29 A. That the procedure authorized by this item (6) might be
30 invoked; and
- 31 B. The date, time, and place of the additional meeting; and

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

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

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

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

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

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

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

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

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

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

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

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

28 11B–113.6.

29 (a) (1) Notwithstanding language contained in the governing documents of the
30 homeowners association, the governing body may authorize meetings of the homeowners
31 association, the governing body, or a committee of the homeowners association to be
32 conducted or attended by telephone conference, video conference, or similar electronic
33 means.

1 (2) If a meeting is conducted by telephone conference, video conference, or
2 similar electronic means[, the]:

3 (I) THE equipment or system used must permit any lot owner, board
4 member, or committee member in attendance to hear and be heard by all others
5 participating in the meeting **IN ACCORDANCE WITH THE GOVERNING DOCUMENTS;**

6 (II) THE PERSON CONDUCTING THE MEETING SHALL ALLOW
7 ALL PARTICIPANTS A REASONABLE OPPORTUNITY TO:

8 1. BE HEARD BY ALL OTHERS PARTICIPATING IN THE
9 MEETING; AND

10 2. PARTICIPATE IN THE MEETING TO THE SAME EXTENT
11 AS IF THE MEETING WERE CONDUCTED IN PERSON;

12 (III) PROVIDED THAT ALL PARTICIPANTS ARE GRANTED THE
13 ABILITY TO UNMUTE THEMSELVES, THE PERSON CONDUCTING THE MEETING OR
14 THE PERSON'S DESIGNEE MAY MUTE ALL PARTICIPANTS:

15 1. WHILE THE GOVERNING BODY OR ITS DESIGNEE IS
16 CONDUCTING BUSINESS;

17 2. DURING PRESENTATIONS; AND

18 3. TO AVOID INTERFERENCE FROM BACKGROUND
19 NOISE; AND

20 (IV) IF A PARTICIPANT INTERFERES IN THE ABILITY TO
21 CONDUCT THE MEETING, THE PERSON CONDUCTING THE MEETING OR THE
22 PERSON'S DESIGNEE MAY:

23 1. REVOKE THE ABILITY FOR THE PARTICIPANT TO
24 UNMUTE; AND

25 2. IF NECESSARY, REMOVE THE PARTICIPANT FROM THE
26 MEETING AFTER WARNING THE PARTICIPANT.

27 (3) IF A MEETING IS CONDUCTED BY VIDEO CONFERENCE OR SIMILAR
28 ELECTRONIC MEANS, ALL PARTICIPANTS SHALL HAVE THE SAME ACCESS TO ANY
29 CHAT FUNCTION.

30 (4) A link or instructions on how to access the meeting by telephone
31 conference, video conference, or similar electronic means shall be included in the notice of
32 the meeting.

1 [(4)] (5) No specific authorization from lot owners shall be required to
2 hold a meeting electronically.

3 **(6) A MEETING OF THE ~~BOARD OF DIRECTORS~~ GOVERNING BODY**
4 **HELD BY ELECTRONIC TRANSMISSION IS ~~DEEMED TO BE A CLOSED MEETING AND~~**
5 **MAY BE HELD ONLY IN ACCORDANCE WITH § 11B-111 OF THIS TITLE.**

6 (b) Any lot owner, board member, or committee member attending a meeting by
7 telephone conference, video conference, or similar electronic means shall be deemed present
8 for quorum and voting purposes.

9 (c) (1) (i) Any matter requiring a vote of the homeowners association may
10 be set by the governing body for a vote at the meeting, and a ballot may be delivered to
11 members with notice of the meeting.

12 (ii) Only those lot owners present during the telephone conference,
13 video conference, or similar electronic meeting shall be authorized to vote a ballot in
14 accordance with this subsection.

15 (iii) Lot owners who are not present at the meeting may:

16 1. Vote by proxy in accordance with the requirements of the
17 governing documents and this title; and

18 2. Be considered present for quorum purposes through their
19 proxy.

20 (2) (i) The governing body may set a reasonable deadline for return of
21 a ballot to the homeowners association, including return by electronic transmission.

22 (ii) The deadline for return of the ballot shall be not later than 24
23 hours after the conclusion of the meeting.

24 (d) Notwithstanding language contained in the governing documents of the
25 homeowners association, nominations from the floor at the meeting are not required if at
26 least one candidate has been nominated to fill each open position in the governing body.

27 (e) The inability of a lot owner to join a meeting due to technical difficulties with
28 the lot owner's telephone, computer, or other electronic device does not invalidate the
29 meeting or any action taken at the meeting.

30 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
31 October 1, 2023.