



# VANGUARD MANAGEMENT

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February 5, 2021

Honorable Kumar Barve, Chair  
Environment and Transportation Committee  
251 House Office Building  
6 Bladen Street  
Annapolis, MD 21401

Re: **HB 593** – Condominiums and Homeowners Associations – Meeting Requirements

Position: Support Hearing: February 9, 2021

Dear Delegate Barve and Members of the Committee,

I am offering this testimony in support of HB 593 introduced by Delegate David Fraser-Hidalgo, legislation that was adopted by the full House (136-3) in the 2019 session and, regrettably, never received committee attention in the Senate. This year, a cross-filed bill has been introduced in the Senate by Senator Nancy King (SB 535) to, hopefully, allow for full passage by the General Assembly.

Maryland condominiums and homeowner associations (HOAs) hold annual election meetings and, I would contend, 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*".<sup>1</sup> 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.

A controversy has arisen 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 can certainly be argued that this was not the legislative intent for the language of §11-109 (c)(8).

Additionally, there has 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

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<sup>1</sup> A cumbersome process that is relatively expensive for smaller HOAs.



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**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?**

**HB 593 is intended to do just that.**

This bill amends the Condominium Act to clearly delineate that there will be both a **separate notice** and a **separate meeting**. The bill also incorporates the process detailed in the amended Condominium Act by adding new language to the Maryland Homeowners Association Act, at §11B-111, now creating an HOA specific process. The language of HB 593 also provides, **for both Condominiums and HOAs**, that a notice may be “advertised in a newspaper published in the county where the condominium/homeowners association is located”, a process that may be more economical for larger community associations..

I encourage the Committee to issue a favorable report.

Sincerely,

VANGUARD MANAGEMENT ASSOCIATES, INC.

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

cc: MD-LAC, CAI