



## 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*".<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.

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.**

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



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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