

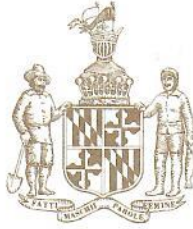
SB535 Sponsor Testimony.pdf

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THE SENATE OF MARYLAND
ANNAPOLIS, MARYLAND 21401

SPONSOR STATEMENT

Senate Bill 535 – Condominiums and Homeowners Associations – Meeting Requirements

March 9, 2021

Mister Chairman and Members of the Judicial Proceedings Committee:

Under current law, Condominium and Homeowners Associations must meet annually. If a quorum (25%) is not met, a second meeting can be held and those in attendance will constitute a quorum. Some associations have taken the letter of the law over the intent of the law and hold the second meeting immediately after the first, thereby denying the other owners the opportunity to rectify the non-quorum vote.

Senate Bill 535 will clarify that if a quorum is not obtained at the annual meeting, a second separate must be held no sooner than 15 days after the first meeting and advertised with no less than a 10-day notification period.

For convenience and timeliness, Senate Bill 535 also adds additional notification processes. Notifications can be mailed, emailed, published in the newspaper or posted to a website if the association maintains one.

Homeowners who live in properties that are part of associations should have every opportunity to take part in the association's annual meetings and so I respectfully request a favorable report on Senate Bill 535.

SB 535 Support Letter 2021.pdf

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February 18, 2021

To: The Honorable William C. Smith, Jr.
Chair, Judicial Proceedings Committee

From: Karen S. Straughn
Consumer Protection Division

Re: Senate Bill 535 – Condominiums and Homeowners Associations – Meeting Requirements (SUPPORT)

The Consumer Protection Division of the Office of the Attorney General submits the following written testimony in support of Senate Bill 535 submitted by Senator Nancy J. King. The bill provides the requirements for a subsequent meeting when a quorum is not met at the initial meeting to enable the meeting to go forward. Specifically, the bill requires that the subsequent meeting be held within 15 days of the initial meeting and provides a notice requirement of 10 days.

Under current law, condominium associations are required to meet quorum requirements before a meeting can be held. A quorum is a declared percentage of the unit owners who must be present, in person or by proxy, in order for the meeting to go forward. If a quorum is not met, a majority of the unit owners present may vote to call an additional meeting at which the unit owners present in person or by proxy will be deemed to be a quorum even if they do not meet the required percentage. Although the Homeowners Association Act does not contain the same provisions, most homeowners associations are held to the same standards through their governing documents.

This bill seeks to clarify that the subsequent meeting must be held within a limited period of time, and that notice must also be sent within a limited period of time in order to be valid. The Consumer Protection Division has seen and heard of associations that call subsequent meetings several months after the initial meeting, which is contrary to the intent to the statute. In addition, the Consumer Protection Division has seen and heard of associations that call subsequent

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meetings immediately following the initial meeting, which is also contrary to the intent of the statute.

For these reasons, we ask that the Judicial Proceedings Committee return a favorable report on this bill.

cc: The Honorable Nancy J. King
Members, Judicial Proceedings Committee