

CITIZEN-DRAFTED BILL CB-503

Requested: February 7, 2025

Suggested assignment to: Economic Matters or Judicial Proceedings

AN ACT concerning

Condominiums – Clarification of Governing Body

FOR the purpose of clarifying that the state’s definition of a “governing body” does not create or appoint alternate applicable governing bodies contrary to the one specified in a Declaration; to align with the concept of delegation expressed in 11-104(b)(1) and 11-109(d)

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.

Bold indicates matters for general awareness, usually existing law that provides key context for the bill.

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

Article – Real Property

11-101

- (i) “Governing body” means the council of unit owners, board of directors, or any committee of the council of unit owners or board of directors, SUBJECT TO THE PARTICULAR ENTITY SPECIFIED AS THE GOVERNING BODY IN A DECLARATION.
- (s) “BUDGET PROCESS” MEANS THE PROCESS TO ADOPT OR AMEND A BUDGET AS ESTABLISHED BY LAW, THE GOVERNING DOCUMENTS OF THE CONDOMINIUM, AND RECORDED RULES PROPERLY PASSED UNDER CONSISTENT WITH §11-111 AND §11-124(e) OF THIS TITLE.

11-109

- (a) (1) The affairs of the condominium shall be governed by a council of unit owners which, even if unincorporated, is constituted a legal entity for all purposes. The council of unit owners shall be comprised of all unit owners.
(2) IF THE DECLARATION DEFINES A COUNCIL OF UNIT OWNERS AS THE GOVERNING BODY, THE BOARD OF DIRECTORS OR MANAGING AGENT MAY NOT PROHIBIT AN ACTION OF THE COUNCIL OF UNIT OWNERS.

~~(3) AN ACTION OF THE BOARD OF DIRECTORS SHALL BE SUBJECT TO THE ORDINARY BUDGET PROCESS OF THE CONDOMINIUM, AS DEFINED IN §11-101 OF THIS TITLE.~~

[(4)] (3) AN ACTION OF THE COUNCIL OF UNIT OWNERS TO INCUR AN EXPENSE SHALL BE SUBJECT TO THE ORDINARY BUDGET PROCESS OF THE CONDOMINIUM, EXCEPT AS PROVIDED IN §11-109.2(f) OF THIS TITLE.

(c)(7)(iv) THE COUNCIL OF UNIT OWNERS AND EACH BODY WITH DELEGATED POWERS shall EACH convene at least one meeting each year at which the agenda is open to any matter relating to the condominium.

11-109.2

(f) (1) The adoption of a budget shall not impair the authority of the council of unit owners to obligate the council of unit owners for expenditures for any purpose consistent with any provision of this title, PROVIDED THAT QUORUM IS MAINTAINED FOR NEW BUSINESS NOTWITHSTANDING THE PROVISION FOR AN ADDITIONAL MEETING AS DESCRIBED IN SECTION 11-109(c)(8)(ii) OF THIS TITLE.

(2) IF THE BUDGET PROCESS FAILS TO ALLOCATE SUFFICIENT FUNDS CONSISTENT WITH THE ACTION OF THE COUNCIL OF UNIT OWNERS, THE NON-BUDGET PORTION OF THE EXPENSE SHALL BE BUDGETED INTO THE NEXT REGULAR ASSESSMENT.

11-124

(e) If there is any conflict among the provisions of this title, the declaration, condominium plat, bylaws, or rules adopted pursuant to § 11-111 of this title, the provisions of each shall control in the succession listed hereinbefore commencing with "title".

(F) IF THE DECLARATION DEFINES A COUNCIL OF UNIT OWNERS AS THE GOVERNING BODY, THE BOARD OF DIRECTORS OR MANAGING AGENT MAY NOT PROHIBIT AN ACTION OF THE COUNCIL OF UNIT OWNERS.

[(f)] (g) The execution of any instrument by a mortgagee for the purpose of consenting to the legal operation and effect of a declaration, bylaws, and condominium plat does not, unless the contrary is expressly stated, affect the priority of the mortgage or deed of trust. The execution and recordation of a release of a unit in a condominium by a mortgagee which refers to the condominium constitutes consent by that mortgagee to the legal operation and effect of the recorded declaration, bylaws, and condominium plat of that condominium.

11-139.1

(a) Notwithstanding language contained in the governing documents of a council of unit owners, the council of unit owners may provide notice of a meeting or deliver information to a unit owner by electronic transmission if:

(1) The [governing body of the] council of unit owners gives the [council of unit owners] **GOVERNING BODY** the authority to provide notice of a meeting or deliver information by electronic transmission;

(2) The unit owner gives the council of unit owners prior written authorization to provide notice of a meeting or deliver information by electronic transmission; and

(3) An officer or agent of the council of unit owners certifies in writing that the council of unit owners has provided notice of a meeting or delivered material or information as authorized by the unit owner.

11-139.3

(a) (1) Notwithstanding language contained in the governing documents of the council of unit owners, the [board of directors] **GOVERNING BODY** may authorize any meetings of the council of unit owners, the board of directors, or a committee of the council of unit owners or the board of directors to be conducted or attended by telephone conference, video conference, or similar electronic means.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2026.