

# MARYLAND CONDOMINIUM ACT

Annotated Code of Maryland  
Real Property Article, Title 11



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**§ 11-109. COUNCIL OF UNIT OWNERS.**

(a) *Legal entity; composition.* — 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.

(b) *Delegation of powers.* — The bylaws may authorize or provide for the delegation of any power of the council of unit owners to a board of directors, officers, managing agent, or other person for the purpose of carrying out the responsibilities of the council of unit owners.

(c) *Meeting of council of unit owners or board of directors — Notice, quorum and procedural requirements.* — (1) A meeting of the council of unit owners or board of directors may not be held on less notice than required by this section.

(2) The council of unit owners shall maintain a current roster of names and addresses of each unit owner to which notice of meetings of the board of directors shall be sent at least annually.

(3) Each unit owner shall furnish the council of unit owners with his name and current mailing address. A unit owner may not vote at meetings of the council of unit owners until this information is furnished.

(4) A regular or special meeting of the council of unit owners may not be held on less than 10 nor more than 90 days':

(i) Written notice delivered or mailed to each unit owner at the address shown on the roster on the date of the notice; or

(ii) Notice sent to each unit owner by electronic transmission, if the requirements of § 11-139.1 of this title are met.

(5) Notice of special meetings of the board of directors shall be given:

(i) As provided in the bylaws; or

(ii) If the requirements of § 11-139.1 of this title are met, by electronic transmission.

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

(7) (i) This paragraph does not apply to any meeting of the governing body that occurs at any time before the meeting at which the unit owners elect officers or a board of directors in accordance with paragraph (16) of this subsection.

(ii) Subject to subparagraph (iii) of this paragraph and to reasonable rules adopted by the governing body under § 11-111 of this title, a governing body shall provide a designated period of time during a meeting to allow unit owners an opportunity to comment on any matter relating to the condominium.

(iii) During a meeting at which the agenda is limited to specific topics or at a special meeting, the unit owners' comments may be limited to the topics listed on the meeting agenda.

(iv) The governing body shall convene at least one meeting each year at which the agenda is open to any matter relating to the condominium.

(8) (i) Unless the bylaws provide otherwise, a quorum is deemed present throughout any meeting of the council of unit owners if persons entitled to cast 25 percent of the total number of votes appurtenant to all units are present in person or by proxy.

(ii) If the number of persons present in person or by proxy at a properly called meeting of the council of unit owners is insufficient to constitute a quorum, another meeting of the council of unit owners may be called for the same purpose if:

1. The notice of the meeting stated that the procedure authorized by this paragraph might be invoked; and

2. By majority vote, the unit owners present in person or by proxy call for the additional meeting.

(iii) 1. Fifteen days' notice of the time, place, and purpose of the additional meeting shall be delivered, mailed, or sent by electronic transmission if the requirements of § 11-139.1 of this title are met, to each unit owner at the address shown on the roster maintained under paragraph (2) of this subsection.

2. The notice shall contain the quorum and voting provisions of subparagraph (iv) of this paragraph.

(iv) 1. At the additional meeting, the unit owners present in person or by proxy constitute a quorum.

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

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

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

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

(9) At meetings of the council of unit owners each unit owner shall be entitled to cast the number of votes appurtenant to his unit. Unit owners may vote by proxy, but the proxy is effective only for a maximum period of 180 days following its issuance, unless granted to a lessee or mortgagee.

(10) Any proxy may be revoked at any time at the pleasure of the unit owner or unit owners executing the proxy.

(11) A proxy who is not appointed to vote as directed by a unit owner may only be appointed for purposes of meeting quorums and to vote for matters of business before the council of unit owners, other than an election of officers and members of the board of directors.

(12) Only a unit owner voting in person or by electronic transmission if the requirements of § 11-139.2 of this title are met or a proxy voting for candidates designated by a unit owner may vote for officers and members of the board of directors.

(13) Unless otherwise provided in the bylaws, a unit owner may nominate himself or any other person to be an officer or member of the board of directors. A call for nominations shall be sent to all unit owners not less than 45 days before notice of an election is sent. Only nominations made at least 15 days before notice of an election shall be listed on the election ballot. Candidates shall be listed on the ballot in alphabetical order, with no indicated candidate preference. Nominations may be made from the floor at the meeting at which the election to the board is held.

(14) Election materials prepared with funds of the council of unit owners shall list candidates in alphabetical order and may not indicate a candidate preference.

(15) Unless otherwise provided in this title, and subject to provisions in the bylaws requiring a different majority, decisions of the council of unit owners shall be made on a majority of votes of the unit owners listed on the current roster present and voting.

(16) A meeting of the council of unit owners shall be held within 60 days from the date that units representing 50 percent of the votes in the condominium have been conveyed by the developer to the initial purchasers of units to elect officers or a board of directors for the council of unit owners, as provided in the condominium declaration or bylaws.

(d) *Council — Incorporation and powers.* — The council of unit owners may be either incorporated as a non-stock corporation or unincorporated and it is subject to those provisions of Title 5, Subtitle 2 of the Corporations and Associations Article which are not inconsistent with this title. The council of unit owners has, subject to any provision of this title, and except as provided in paragraph (22) of this subsection, the declaration, and bylaws, the following powers:

- (1) To have perpetual existence, subject to the right of the unit owners to terminate the condominium regime as provided in § 11-123 of this title;
- (2) To adopt and amend reasonable rules and regulations;
- (3) To adopt and amend budgets for revenues, expenditures, and reserves and collect assessments for common expenses from unit owners;
- (4) To sue and be sued, complain and defend, or intervene in litigation or administrative proceedings in its own name on behalf of itself or two or more unit owners on matters affecting the condominium;
- (5) To transact its business, carry on its operations and exercise the powers provided in this subsection in any state, territory, district, or possession of the United States and in any foreign country;
- (6) To make contracts and guarantees, incur liabilities and borrow money, sell, mortgage, lease, pledge, exchange, convey, transfer, and otherwise dispose of any part of its property and assets;
- (7) To issue bonds, notes, and other obligations and secure the same by mortgage or deed of trust of any part of its property, franchises, and income;
- (8) To acquire by purchase or in any other manner, to take, receive, own, hold, use, employ, improve, and otherwise deal with any property, real or personal, or any interest therein, wherever located;
- (9) To hire and terminate managing agents and other employees, agents, and independent contractors;
- (10) To purchase, take, receive, subscribe for or otherwise acquire, own, hold, vote, use, employ, sell, mortgage, loan, pledge or otherwise dispose of, and otherwise use and deal in and with, shares or other interests in, or obligation of corporations of the State, or foreign corporations, and of associations, partnerships, and individuals;
- (11) To invest its funds and to lend money in any manner appropriate to enable it to carry on the operations or to fulfill the purposes named in the declaration or bylaws, and to take and to hold real and personal property as security for the payment of funds so invested or loaned;
- (12) To regulate the use, maintenance, repair, replacement, and modification of common elements;
- (13) To cause additional improvements to be made as a part of the general common elements;
- (14) To grant easements, rights-of-way, licenses, leases in excess of 1 year, or similar interests through or over the common elements in accordance with § 11-125(f) of this title;
- (15) To impose and receive any payments, fees, or charges for the use, rental, or operation of the common elements other than limited common elements;
- (16) To impose charges for late payment of assessments and, after notice and an opportunity to be heard, levy reasonable fines for violations of the declaration, bylaws, and rules and regulations of the council of unit owners, under § 11-113 of this title;
- (17) To impose reasonable charges for the preparation and recordation of amendments to the declaration, bylaws, rules, regulations, or resolutions, resale certificates, or statements of unpaid assessments;
- (18) To provide for the indemnification of and maintain liability insurance for officers, directors, and any managing agent or other employee charged with the operation or maintenance of the condominium;
- (19) To enforce the implied warranties made to the council of unit owners by the developer under § 11-131 of this title;
- (20) To enforce the provisions of this title, the declaration, bylaws, and rules and regulations of the council of unit owners against any unit owner or occupant;
- (21) Generally, to exercise the powers set forth in this title and the declaration or bylaws and to do every other act not inconsistent with law, which may be appropriate to promote and attain the purposes set forth in this title, the declaration or bylaws; and

(22) To designate parking for individuals with disabilities, notwithstanding any provision in the declaration, bylaws, or rules and regulations.

(e) *Unit owner's interest in council's property.* — A unit owner may not have any right, title, or interest in any property owned by the council of unit owners other than as holder of a percentage interest in common expenses and common profits appurtenant to his unit.

(f) *Unit owner's rights as holder of percentage interest.* — A unit owner's rights as holder of a percentage interest in common expenses and common profits are such that:

(1) A unit owner's right to possess, use, or enjoy property of the council of unit owners shall be as provided in the bylaws; and

(2) A unit owner's interest in the property is not assignable or attachable separate from his unit except as provided in §§ 11-107(d) and 11-112(g) of this title.

### **§ 11-109.1. CLOSED MEETINGS OF BOARD OF DIRECTORS**

(a) *Permitted for certain enumerated purposes.* — A meeting of the board of directors may be held in closed session only for the following purposes:

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

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

(3) Consultation with legal counsel on legal matters;

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

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

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

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

(8) Discussion of individual owner assessment accounts.

(b) *Scope of permissible action limited; inclusion of certain statements, records, and authority required in minutes.* — If a meeting is held in closed session under subsection (a) of this section:

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

(2) A statement of the time, place, and purpose of any closed meeting, the record of the vote of each board member by which any meeting was closed, and the authority under this section for closing any meeting shall be included in the minutes of the next meeting of the board of directors.

### **§ 11-109.2. ANNUAL PROPOSED BUDGET.**

(a) *Preparation and submission.* — The council of unit owners shall cause to be prepared and submitted to the unit owners an annual proposed budget at least 30 days before its adoption.

(3) If a limitation to the time period during which signs may be displayed is not specified by a law of the jurisdiction in which the condominium is located, to a time period not less than:

- (i) 30 days before the primary election, general election, or vote on the proposition; and
- (ii) 7 days after the primary election, general election, or vote on the proposition.

### **§ 11-111.3. DISTRIBUTION OF WRITTEN INFORMATION OR MATERIALS.**

(a) *Applicability of section.* — This section does not apply to the distribution of information or materials at any time before the unit owners elect officers or a board of directors in accordance with § 11-109(c)(16) of this title.

(b) *Door-to-door distribution.* — In this section, the door-to-door distribution of any of the following information or materials may not be considered a distribution for purposes of determining the manner in which a governing body distributes information or materials under this section:

(1) Any information or materials reflecting the assessments imposed on unit owners in accordance with a recorded covenant, the declaration, bylaw, or rule of the condominium; and

(2) Any meeting notices of the governing body.

(c) *Distribution of written information or materials.* — Except for reasonable restrictions to the time of distribution, a recorded covenant or restriction, a provision in a declaration, or a provision of the bylaws or rules of a condominium may not restrict a unit owner from distributing written information or materials regarding the operation of or matters relating to the operation of the condominium in any manner or place that the governing body distributes written information or materials.

### **§ 11-112. EMINENT DOMAIN.**

(a) *Meaning of "taking under the power of eminent domain".* — In this section, the term “taking under the power of eminent domain” includes any sale in settlement of any pending or threatened condemnation proceeding.

(b) *Allocation of award — Provisions in declaration or bylaws.* — The declaration or bylaws may provide for an allocation of any award for a taking under the power of eminent domain of all or a part of the condominium. The declaration or bylaws also may provide for (1) reapportionment or other change of the percentage interests appurtenant to each unit remaining after any taking; (2) the rebuilding, relocation, or restoration of any improvements so taken in whole or in part; and (3) the termination of the condominium regime following any taking.

(c) *Same — In absence of provisions in declaration or bylaws.* — Unless otherwise provided in the declaration or bylaws, any damages for a taking of all or part of a condominium shall be awarded as follows:

(1) Each unit owner shall be entitled to the entire award for the taking of all or part of his respective unit and for consequential damages to his unit.

(2) Any award for the taking of limited common elements shall be allocated to the unit owners of the units to which the use of those limited common elements is restricted in proportion to their respective percentage interests in the common elements.

(3) Any award for the taking of general common elements shall be allocated to all unit owners in proportion to their respective percentage interests in the common elements.

(d) *Reconstruction following taking.* — Unless otherwise provided in the declaration or bylaws, following the taking of a part of a condominium, the council of unit owners shall not be obligated to replace improvements taken