

# HOUSE BILL 532

N1

3lr2615

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By: **Delegate Holmes**

Introduced and read first time: February 1, 2023

Assigned to: Environment and Transportation

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## A BILL ENTITLED

1 AN ACT concerning

2 **Homeowners Associations – Authority to Levy Fines**

3 FOR the purpose of authorizing, subject to the provisions of the Maryland Homeowners  
4 Association Act and its declaration or bylaws, a homeowners association to levy  
5 reasonable fines for violations of the declaration, the bylaws, or the rules and  
6 regulations of the homeowners association; requiring a homeowners association to  
7 provide notice and opportunity for a hearing prior to levying a fine under this Act;  
8 and generally relating to homeowners associations and the levying of fines.

9 BY repealing and reenacting, without amendments,  
10 Article – Real Property  
11 Section 11B–111.10  
12 Annotated Code of Maryland  
13 (2015 Replacement Volume and 2022 Supplement)

14 BY adding to  
15 Article – Real Property  
16 Section 11B–111.11  
17 Annotated Code of Maryland  
18 (2015 Replacement Volume and 2022 Supplement)

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

21 **Article – Real Property**

22 11B–111.10.

23 (a) Unless the declaration or bylaws state otherwise, the dispute settlement  
24 mechanism provided by this section is applicable to complaints or demands formally arising  
25 on or after October 1, 2022.

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (b) (1) The board of directors or other governing body of the homeowners  
2 association may not impose a fine, suspend voting, or infringe on any other right of a lot  
3 owner or any other occupant for violations of rules until the procedures in this subsection  
4 are followed.

5 (2) A written demand to cease and desist from an alleged violation shall be  
6 provided to the alleged violator specifying:

7 (i) The nature of the alleged violation;

8 (ii) The action required to abate the violation; and

9 (iii) A period of time, not less than 15 days, during which the violation  
10 may be abated without further sanction, if the violation is a continuing violation, or a  
11 statement that any further violation of the same rule may result in the imposition of  
12 sanction after notice and opportunity for hearing if the violation is not continuing.

13 (3) Within 12 months of the demand, if the violation continues past the  
14 period of time allowed in the demand for abatement without penalty or if the same rule is  
15 violated subsequently, the board shall provide the alleged violator, at the alleged violator's  
16 address of record, with a written notice of the alleged violator's right to request a hearing  
17 to be held by the board in executive session containing:

18 (i) The nature of the alleged violation;

19 (ii) The procedures for requesting a hearing at which the alleged  
20 violator may produce any statement, evidence, or witnesses on behalf of the alleged violator;

21 (iii) The period of time for requesting a hearing, which may not be  
22 less than 10 days from the giving of the notice; and

23 (iv) The proposed sanction to be imposed.

24 (4) (i) If the alleged violator requests a hearing within the period of  
25 time specified in the notice provided under paragraph (3) of this subsection, the board shall  
26 provide the alleged violator with a written notice of the time and place of the hearing, which  
27 time may not be less than 10 days after the date the request for a hearing was provided.

28 (ii) 1. At the hearing, the alleged violator has the right to present  
29 evidence and cross-examine witnesses.

30 2. The hearing shall be held in executive session in  
31 accordance with this notice and shall afford the alleged violator a reasonable opportunity  
32 to be heard.

1                   3.     A.     Prior to the taking effect of any sanction under this  
2 section, proof of notice shall be entered in the minutes of the meeting.

3                   B.     The proof of notice shall be deemed adequate if a copy of  
4 the notice, together with a statement of the date and manner of providing the notice, is  
5 entered in the minutes by the officer or director who provided the notice.

6                   C.     The notice requirement shall be deemed satisfied if the  
7 alleged violator appears at the meeting.

8                   4.     The minutes of the meeting shall contain a written  
9 statement of the results of the hearing and the sanction, if any, imposed.

10                  (5)     If the alleged violator does not request a hearing within the period of  
11 time specified in the notice provided under paragraph (3) of this subsection, the board, at  
12 the next meeting, shall deliberate as to whether the violation occurred and decide whether  
13 a sanction is appropriate for the violation.

14                  (6)     A decision made in accordance with these procedures shall be  
15 appealable to the courts of Maryland.

16                  (c)     (1)     If any lot owner fails to comply with this title, the declaration, or  
17 bylaws, or a decision rendered in accordance with this section, the lot owner may be sued  
18 for damages caused by the failure or for injunctive relief, or both, by the homeowners  
19 association or by any other lot owner.

20                  (2)     The prevailing party in any proceeding under this subsection is entitled  
21 to an award for counsel fees as determined by the court.

22                  (d)     The failure of the board of directors or other governing body of the  
23 homeowners association to enforce a provision of this title, the declaration, or bylaws on  
24 any occasion is not a waiver of the right to enforce the provision on any other occasion.

25                  (e)     This section does not apply to the Columbia Association or the village  
26 community associations for the villages of Columbia in Howard County.

27 **11B-111.11.**

28                  **(A)     SUBJECT TO THE PROVISIONS OF THIS TITLE AND THE DECLARATION OR**  
29 **BYLAWS OF THE HOMEOWNERS ASSOCIATION, THE HOMEOWNERS ASSOCIATION MAY**  
30 **LEVY REASONABLE FINES FOR VIOLATIONS OF THE DECLARATION, THE BYLAWS, OR**  
31 **THE RULES AND REGULATIONS OF THE HOMEOWNERS ASSOCIATION.**

32                  **(B)     PRIOR TO LEVYING A FINE UNDER SUBSECTION (A) OF THIS SECTION,**  
33 **THE HOMEOWNERS ASSOCIATION SHALL:**

1                   **(1) NOTIFY THE ALLEGED VIOLATOR OF THE INTENT TO LEVY A FINE**  
2 **AGAINST THE VIOLATOR; AND**

3                   **(2) PROVIDE AN OPPORTUNITY FOR THE ALLEGED VIOLATOR TO BE**  
4 **HEARD IN ACCORDANCE WITH § 11B-111.10 OF THIS TITLE.**

5                   SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
6 October 1, 2023.