

# SENATE BILL 183

N1

2lr0536

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By: **Senators Kelley and Miller**

Introduced and read first time: January 20, 2012

Assigned to: Judicial Proceedings

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Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: February 28, 2012

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## CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Condominiums and Homeowners Associations – Transition of Control –**  
3 **Termination of Contracts**

4 FOR the purpose of authorizing, under certain circumstances, the board of directors of  
5 a condominium to terminate certain contracts within a certain period of time  
6 after the board of directors is elected and the governing body of a homeowners  
7 association to terminate certain contracts within a certain period of time after  
8 the governing body is elected; repealing provisions of law that allowed, under  
9 certain circumstances, the board of directors of a condominium to terminate a  
10 contract entered into by the officers or the board and the governing body of a  
11 homeowners association to terminate a contract entered into by the governing  
12 body; and generally relating to termination of contracts by condominiums and  
13 homeowners associations.

14 BY repealing and reenacting, with amendments,  
15 Article – Real Property  
16 Section 11–109(c)(16)(v) and 11B–106.1(e)  
17 Annotated Code of Maryland  
18 (2010 Replacement Volume and 2011 Supplement)

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

21 **Article – Real Property**

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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.



1 11-109.

2 (c) (16) (v) 1. This subparagraph does not apply to a contract  
3 entered into before October 1, [2009] **2012**.

4 2. A. In this subparagraph, “contract” means an  
5 agreement with a company or individual to handle financial matters, maintenance, or  
6 services for the condominium.

7 B. “Contract” does not include an agreement relating to  
8 the provision of utility services or communication systems.

9 3. [Until] **WITHIN ~~60~~ 180 DAYS AFTER** all members of  
10 the board of directors of the condominium are elected by the unit owners at a  
11 transitional meeting as specified in subparagraph (i) of this paragraph, **THE BOARD**  
12 **MAY TERMINATE** a contract entered into by the **DEVELOPER**, officers, or **PREVIOUS**  
13 board of directors of the condominium [may be terminated] **BEFORE THE MEETING**,  
14 at the discretion of the board of directors and without liability for the termination,  
15 [not later than 30 days after] **ON 30 DAYS’ notice TO THE CONTRACTOR**.

16 11B-106.1.

17 (e) (1) This subsection does not apply to a contract entered into before  
18 October 1, [2009] **2012**.

19 (2) (i) In this subsection, “contract” means an agreement with a  
20 company or individual to handle financial matters, maintenance, or services for the  
21 homeowners association.

22 (ii) “Contract” does not include an agreement relating to the  
23 provision of utility services or communication systems.

24 (3) [Until] **WITHIN ~~60~~ 180 DAYS AFTER** all members of the  
25 governing body are elected by the lot owners at a transitional meeting under  
26 subsection (a) of this section, **THE GOVERNING BODY MAY TERMINATE** a contract  
27 entered into by the **DECLARANT OR THE PREVIOUS** governing body [may be  
28 terminated] **BEFORE THE MEETING**, at the discretion of the governing body and  
29 without liability for the termination, [not later than 30 days after] **ON 30 DAYS’ notice**  
30 **TO THE CONTRACTOR**.

31 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
32 October 1, 2012.