

RIGHTS AND RESPONSIBILITIES OF INDIVIDUALS LIVING IN COMMON OWNERSHIP COMMUNITIES

CONDOMINIUMS

(Title 11 of the Real Property Article of the Maryland Code)

Tenants, Unit Owners, and Purchasers have the following rights and responsibilities relating to a condominium regime:

- Tenants of properties that will be converted to a condominium regime have the right:
 - To receive notice before the property will be subjected to a condominium regime;
 - To terminate their lease with 30 days' written notice;
 - To extend their lease term for 180 days after the notice, on the same terms, and conditions;
 - To not be forced to vacate the property for 180 days after the notice (except for certain for-cause circumstances); and
 - To purchase the portion of the condominium property occupied by them as their residence.
- Each owner of a condominium unit ("unit owner") has the right to own an undivided percentage interest in the common elements of the condominium, as set forth in the condominium's declaration. Each unit owner also has a percentage interest in the common expenses and common profits equal to that which is set forth in the declaration.
- Unit owners are entitled to grant, transfer, or subdivide their unit, as long as certain requirements are followed relating to their percentage interest.
- Except as provided in a condominium's declaration, unit owners have the right to support, access, use, and enjoy the common elements of the condominium. Unit owners may only use the common elements for the purposes for which they were intended.
- Subject to reasonable rules adopted by the governing body, unit owners may meet for the purpose of considering and discussing matters relating to the operation of the condominium in any common elements or in any building or facility in the common elements that the governing body of the condominium uses for scheduled meetings.
- Before the sale (including a tax sale) of any common element, unit owners are entitled to at least 30 days' notice from the governing body of the condominium.
- Except as otherwise provided in the bylaws, unit owners are responsible for the maintenance, repair, and replacement of their units, and the council of unit owners of the condominium is responsible for the maintenance, repair, and replacement of common elements.
- Unit owners:
 - Are members of the council of unit owners;
 - Have the right to vote on matters presented for vote to the council of unit owners;
 - Are entitled to receive notice of a regular or special meeting of the council of unit owners;
 - Have the right to cast the number of votes appurtenant to their units;
 - You have the right to vote by proxy, but proxy is only effective for a maximum of 180 days following its issuance;
 - Have the right to revoke a proxy;
 - May nominate themselves or any other person to be an officer or member of the board of directors;
 - Do not have any right, title, or interest in property owned by the council of unit owners other than as holder of a percentage interest in common expenses and common profits appurtenant to their unit; and

- o Are required to provide the council of unit owners with their name and current mailing address. A unit owner may not vote at meetings of the council of unit owners until this information is furnished.
- Unit owners have the right to make any improvements or alterations to their unit that do not impair the structural integrity or mechanical systems or lessen the support of any portion of the condominium.
- Unit owners are not permitted to alter, make additions to, or change the appearance of the common elements, or the exterior appearance of a unit or any other portion of the condominium, without permission of the council of unit owners.
- Unit owners have the right to cause an audit of the books and records of the council of unit owners, if supported by the request of the unit owners of at least 5 percent of the units of the condominium, provided that an audit may not be made more than once per 12-month period and the cost of the audit shall be a common expense.
- Unit owners have the right to receive a copy of a budget prepared by the council of unit owners at least 30 days before it is adopted, and to receive a copy of the adopted annual budget within 30 days after it is adopted. The adopted annual budget may be submitted to each unit owner by electronic transmission, by posting on the condominium association's home page, or by inclusion in the association's newsletter
- Unit owners have the right to inspect and copy any reserve study obtained by the council of unit owners, and to receive a summary of the reserve study with the annual proposed budget.
- Unit owners are required to pay assessments for common expenses and reserves. Funds for the payment of current common expenses and for the creation of reserves for the payment of future common expenses must be obtained by assessments against the unit owners in proportion to their percentage interests in common expenses and common profits.
- A unit owner is liable for all assessments, or installments thereof, coming due while they are the owner of a unit.
- Payment of assessments, together with interest, late charges (if any), costs of collection, and reasonable attorney's fees may be enforced by the imposition of a lien on a unit in accordance with the provisions of the Maryland Contract Lien Act.
- With respect to rules adopted for condominiums, unit owners have a right to receive copy of the proposed rule; submit written comments and provide comments at an open meeting on the proposed rule; be advised of the proposed effective date of the proposed rule; and receive 15 days' notice regarding a meeting to be held for a vote on the proposed rule.
- Unit owners have the right to display a candidate sign or a sign that advertises the support or defeat of any question submitted to voters under election laws. Such signage may be restricted under a recorded covenant or restriction, provision in a declaration, or a provision in the bylaws or rules of a condominium, as follows:
 - o Signage may be prohibited in common elements;
 - o Signage may be prohibited as is required by law; and
 - o Signage may be limited to a certain time period.
- Unit owners have the right to distribute written information or materials regarding the operation of the condominium in any manner or place that the governing body distributes written information or materials, with the following exceptions:
 - o Reasonable restrictions to time and place are permitted; and
 - o This right does not include the right to distribute information or materials relating to assessments imposed on unit owners or meeting notices issued by the governing body.
- Unit owners may have the right to install or use electric vehicle recharging equipment in their parking spaces, subject to:

- o Approval by the governing body if applicable;
 - o Obtaining any permit required by a county or municipal corporation; and
 - o Providing a certificate of insurance naming the condominium association as an additional insured or reimbursing the association for the cost of an increased insurance premium caused by the electric vehicle recharging equipment.
- The owner and each successive owner of the electric vehicle recharging equipment shall be responsible for:
 - o Installation costs;
 - o Costs for damage to the equipment, or to limited or common elements, resulting from the installation, maintenance, repair, removal, or replacement of the equipment;
 - o Costs for the maintenance, repair, and replacement of the equipment;
 - o If the owner decides to remove the equipment, costs for the removal and for the restoration of the common or limited element after removal; and
 - o The cost of electricity associated with the equipment.
- Unit owners have the right to contract with a private entity to collect organic waste materials from the unit owner for composting at a composting facility.
- With respect to insurance, the following rights and responsibilities apply:
 - o The council of unit owners is required to maintain property insurance and general liability insurance, to the extent that it is reasonably available;
 - o Unit owners have the right to receive notice of the termination of any insurance policy from the council of unit owners within 10 days of termination;
 - o Unit owners have the right to obtain insurance for their own benefit; and
 - o Unit owners of residential, detached units are required to carry homeowner's insurance coverage on the entirety of the unit.
- With respect to the sale of individual unit from a developer to a unit owner:
 - o With some exceptions, unit owners are entitled to implied warranties that, at the time of delivery of the deed (or completion of an improvement that was not completed when the deed was delivered), the improvement is:
 - Free from faulty materials;
 - Constructed according to sound engineering standards;
 - Constructed in a workmanlike manner; and
 - Fit for habitation.
 - o The unit owner is also entitled to an implied warranty starting on the day that title is transferred and continuing for one year, which shall provide:
 - That the developer is responsible for correcting any defects in materials or workmanship in the construction of walls, ceilings, floors, and heating and air conditioning systems in the unit; and
 - That the heating and any air conditioning systems have been installed in accordance with acceptable industry standards (as further defined in the statute).
 - For this implied warranty, the unit owner must give notice of defects during the warranty period and sue for enforcement of the warranty within one year of the warranty period.
- Unit owners have the right to sell their units, in which case the following applies:
 - o At least 15 days prior to closing, a unit owner must provide to the purchaser a copy of the declaration, bylaws, and rules or regulations of the condominium; a certificate with various forms of information; a statement regarding alterations to the unit, violations of health or

- building codes, or existence of leases; and a written notice of the unit owner's responsibility for property insurance (note, fewer requirements apply to condominiums with fewer than 7 units);
- o Purchasers may rescind the contract within 7 days after receiving the information identified above and are entitled to the return of any deposits made on account of the contract;
 - o Unit owners have the right to receive from the council of unit owners, within 20 days after a written request, a certificate containing sufficient information and documentation to enable unit owners to comply with legal requirements for selling their units;
 - o Unit owners are required to pay a reasonable fee to the council of unit owners for inspection of the unit or for expedited delivery of a certificate containing the information necessary to enable the unit owner to comply with the legal requirements for selling the unit.
- Except as is provided in the declaration or bylaws, or allowed under dispute settlement procedures, the council of unit owners or board of directors may not impose a fine, suspend voting, or infringe upon any other rights of a unit owner for violation of the until certain dispute settlement procedures are followed. Unit owners may appeal decisions issued pursuant to dispute settlement proceedings to the courts of Maryland.
 - Unit owners that fail to comply with the dispute settlement procedures, a decision issued pursuant to dispute settlement proceedings, the declaration, or the bylaws, may be sued for damages caused by that failure or for injunctive relief, or both, by the council of unit owners or by any other unit owner. The prevailing party in any such proceeding entitled to an award for counsel fees as determined by court.

COOPERATIVE HOUSING CORPORATIONS

(Title 5, Subtitle 6b of the Corporations and Associations Article of the Maryland Code)

Tenants, Members, and Purchasers have the following rights and responsibilities relating to housing corporations:

- An initial purchaser of a cooperative interest has the following rights:
 - The right to receive a public offering statement containing the name and address of the developer; various statements relating to the property; copies of pertinent documents and the projected annual budget; other materials if applicable.
 - The right to rescind the contract within 15 days after the contract is signed, or 15 days after a public offering statement is received, whichever occurs later;
 - The right to have their deposit returned after such rescission;
 - The right to receive a copy of any amendments, supplements, or modifications to the public offering statement, after a contract is signed and before the issuance of a membership certificate; and
 - Within 5 days after receiving the items identified in the prior paragraph, the initial purchaser has the right to rescind the contract and receive the return of any deposit.
- The following rights apply to tenants of residential rental facilities that are or will transition to ownership by cooperative housing corporations (whether by acquisition of property or change in corporate structure):
 - A notice meeting certain requirements, provided at least 180 days before the tenant is required to vacate;
 - A tenant receiving such a notice may not be required to vacate the premises for 180 days (except for certain for-cause circumstances);
 - If the tenant's lease term would have terminated before the end of the 180-day period, the tenant has the right to have the lease term extended to the full 180 days, on the same terms and conditions;
 - Tenants who receive such a notice also may terminate the lease, without penalty for termination, with 30 days' written notice to the landlord;
 - Tenants have the right to purchase the residence before it can be sold publicly, at a price and on terms and conditions at least as favorable as the price, terms, and conditions offered to any other person during the 180-day period after the notice is given. Settlement cannot be required any earlier than 120 days after the offer is accepted by the tenant;
 - In some cases, if household income does not exceed certain limits, tenants may be entitled to payments for moving and moving expenses; and
 - Residents that are at least 62 years old or have measurable limitations due to congenital defect, disease, or trauma, and meet certain income limitations, may qualify for a 3-year lease extension.
- Members have the right to attend meetings of the cooperative housing corporation, the governing body of the housing corporation, or committee of the cooperative housing corporation. Members have the right to be given reasonable notice of all regularly scheduled open meetings.
- Except as otherwise provided in the articles of incorporation or bylaws, the votes in a cooperative housing corporation shall be assigned so that each unit has one vote.
- Members have the right to distribute written information or materials regarding matters relating to the operation of the cooperative housing corporation in the same place and manner as the governing body distributes written information or materials, except for (a) information or materials reflecting assessments imposed on members that the governing body distributes door-to-door; or (b) meeting notices that the governing body distributes door-to-door. Cooperative housing corporations may place restrictions on the time of any distribution of such materials.

- Subject to reasonable rules adopted by the governing body, members have the right to meet for the purpose of considering and discussing matters relating to the operation of the cooperative housing corporation in any area that is generally open to all members of the cooperative housing corporation.
- Members have the right to display a candidate sign or a sign that advertises the support or defeat of any question submitted to voters under election laws. However, the display of these signs may be restricted in areas that are possessed in common by the members, where restrictions are permitted by law, or where the restriction limits the display to a certain time period.
- With respect to requesting records of the cooperative housing corporation:
 - Except for limited categories of records, members have the right to inspect all books and records kept by or on behalf of a cooperative housing corporation during normal business hours, and after reasonable notice.
 - Members have the right to request the delivery of financial statements or meeting minutes.
 - When such a request is made, the governing body must compile the requested records and send them to the lot owner by mail, email, or personal delivery within 21 days of the written request (or 45 days if the financial statements or minutes were prepared more than 3 years prior to receipt of the request); and
 - The cooperative housing corporation may not impose charges, except for a reasonable charge imposed on a person desiring to review or copy the books and records or who requests delivery of information.
- Unit owners have the right to inspect and copy reserve studies obtained by the governing body, and to receive a summary of the reserve study with the annual proposed budget sent to unit owners.
- Members have the right to cause an audit of the books and records, if supported by the request of the unit owners of at least 5 percent of the units of the condominium, provided that an audit may not be made more than once per 12-month period and the cost of the audit shall be a common expense.
- Members may be required to pay a late charge of no more than \$15 or one-tenth of the total amount of any delinquent assessment or installment. Such late charges may only be imposed if the delinquency has continued for a period of 10 days or more, and may not be charged more than once for the same delinquent assessment or installment.
- Members have the right to not be evicted based solely on the failure of the member to pay assessments owed to the cooperative housing corporation unless:
 - The member has been delinquent in paying assessments for a period of 3 months or more;
 - The governing body has given the member notice and an opportunity to be heard regarding the delinquency, consistent with § 5-6B-30 of this subtitle;
 - The governing body has given the member an opportunity to cure the delinquency; and
 - The member has failed to cure the delinquency.
- Except as is provided in bylaws, proprietary lease, or allowed under dispute settlement procedures, members may not be evicted, charged a fine, or have voting suspended for violation of the rules of the cooperative housing corporation or the provisions of the member's proprietary lease until certain dispute settlement procedures are followed. Members may appeal decisions of the governing body pursuant to the dispute settlement proceedings to the courts of Maryland.
- If a member fails to comply with the dispute settlement procedures, a decision issued under the dispute settlement proceedings, or the bylaws of the cooperative housing corporation, the governing body or any other member of the cooperative housing corporation may sue the member for any damages caused by the failure or for injunctive relief. The prevailing party is entitled to an award for reasonable attorney's fees as determined by the court.

HOMEOWNERS ASSOCIATIONS

(Title 11B of the Real Property Article of the Maryland Code)

Tenants, Lot Owners, and Purchasers have the following rights and responsibilities relating to a condominium regime:

- Initial purchasers of lots in developments subject to a Homeowners Association (HOA) have the right to:
 - Receive a series of disclosures, in writing and in a clear and concise manner, before a contract is entered into or within 7 days after entering into the contract (for developments containing more than 12 units) or 20 days after entering into the contract (for developments containing 12 or fewer lots);
 - Notice of any changes in mandatory fees and payments exceeding 10% of the amount previously stated, or other material changes to the disclosures;
 - The inclusion, in the contract, of a conspicuous notice regarding the Maryland Homeowners Association Act;
 - Certain types of information, including (but not limited to):
 - lot information;
 - fees assessed by the HOA;
 - contact information for the HOA;
 - intended use of contiguous properties or intention to annex property; and
 - copies of articles of incorporation, declaration, recorded covenants and restrictions, bylaws;
 - To cancel the contract within five days of receiving all HOA information, if such information was not provided at least 5 days prior to entering into the contract;
 - To cancel the contract within 3 days after receiving notice of any changes in mandatory fees or other substantial and material amendment to the HOA information provided, if it adversely affects the purchaser; and
 - To a refund of the contract deposit if cancellation is made for the reasons provided in the two preceding paragraphs (minus \$100 if HOA information is returned to the seller).
- Before the date of an initial meeting to elect the governing body of the HOA, lot owners are entitled to notice that certain requirements have been met, as well as the date, time, and place of the meeting to elect the governing body.
- Before the sale (including a tax sale) of any common element of an HOA, lot owners are entitled to at least 30 days' notice from the governing body of the HOA.
- Lot owners have the right to attend all meetings of the HOA, including meetings of the board of directors or other governing body and committees, and to receive reasonable notice of all regularly scheduled open meetings of the HOA.
- Lot owners have the right to display a candidate sign or a sign that advertises the support or defeat of any question submitted to voters under election laws. Such signage may be prohibited under a recorded covenant or restriction, provision in a declaration, or a provision in the bylaws or rules of a condominium, as follows:
 - Signage may be prohibited in common elements;
 - Signage may be prohibited as is required by law; and
 - Signage may be limited to a certain time period.
- Lot owners have the right to distribute written information or materials regarding the operation of the HOA in any manner or place that the governing body distributes written information or materials, subject to the following:
 - Reasonable restrictions to time and place are permitted; and
 - This right does not include the right to distribute information or materials relating to assessments imposed on lot owners or meeting notices issued by the governing body.

- Subject to reasonable rules adopted by the governing body, lot owners have the right to meet to consider and discuss operation of the HOA in any common areas or in any building or facility in the common areas that the governing body of the HOA uses for scheduled meetings.
- Lot owners may have the right to install or use electric vehicle recharging equipment in their parking spaces, subject to:
 - Approval by HOA if applicable;
 - Obtaining any permit required by a county or municipal corporation; and
 - Providing a certificate of insurance naming the condominium association as an additional insured or reimbursing the HOA for the cost of an increased insurance premium caused by the electric vehicle recharging equipment.
- The lot owner and each successive owner of the electric vehicle recharging equipment shall be responsible for:
 - Installation costs;
 - Costs for damage to the equipment or common area, resulting from the installation, maintenance, repair, removal, or replacement of the equipment;
 - Costs for the maintenance, repair, and replacement of the equipment;
 - If the lot owner decides to remove the equipment, costs for the removal and for the restoration of the common or limited element after removal; and
 - The cost of electricity associated with the equipment.
- Lot owners have the right to compost organic waste materials for their personal or household use, provided that:
 - They have the right to exclusive use of the area where composting is conducted; and
 - They observe all laws, ordinances, and regulations relating to composting.
- Lot owners have the right to contract with a private entity to collect organic waste materials from the unit owner for composting at a composting facility.
- Except as is provided in the declaration or bylaws, or allowed under dispute settlement procedures, the HOA may not impose a fine, suspend voting, or infringe on any other right of a lot owner, for violation of the rules until certain dispute settlement procedures are followed. Members may appeal decisions issued pursuant to dispute settlement proceedings to the courts of Maryland.
- Lot owners that fail to comply with the dispute settlement procedures, a decision issued pursuant to dispute settlement proceedings, the declaration, or the bylaws, may be sued for damages caused by that failure or for injunctive relief, or both, by the HOA or by any other lot owner. The prevailing party in any such proceeding entitled to an award for counsel fees as determined by court.
- Except for limited categories of records, lot owners have the right to inspect or copy all books and records kept by or on behalf of the HOA during normal business hours, after reasonable notice.
- Lot owners have the right to request copies of financial statements and minutes of meetings of the HOA. When such a request is made:
 - The governing body must compile the requested records and send them to the lot owner by mail, email, or personal delivery within 21 days of the written request (or 45 days if the financial statements or minutes were prepared more than 3 years prior to receipt of the request); and
 - Although a HOA generally may not impose charges for access to these records, lot owners may be required to pay reasonable charges imposed for the review or delivery of such records.
- Lot owners may be required to pay a late charge of no more than \$15 or one-tenth of the total amount of any delinquent assessment or installment. Such late charges may only be imposed if the delinquency has continued for a period of 15 days or more, and may not be charged more than once for the same delinquent payment.
- Where an HOA has the responsibility under the declaration for maintaining and repairing common areas:
 - Lot owners have the right to receive the annual proposed budget at least 30 days before its adoption;

- o This proposed budget may be sent via email, posting on the HOA homepage, or by inclusion in the HOA's newsletter;
- o Lot owners have the right to receive a copy of the adopted annual budget no more than 30 days after it is adopted; and
- o Where an expenditure would result in an increase in the assessments to lot owners of 15% or more over the budgeted amount previously adopted, the increase must be approved by an amendment to the budget, adopted at a special meeting. Lot owners are entitled to at least 10 days' written notice or notice by electronic transmission before such meeting occurs.
- Where a HOA is required to have reserve studies completed:
 - o Lot owners have the right to inspect and copy reserves studies prepared for the HOA; and
 - o Lot owners have the right to have the reserve study be summarized for submission with the annual proposed budget provided to them.
- Lot owners may be required to pay a reasonable electronic payment fee if they elect to pay the HOA by means of electronic payment. Where electronic payment fees are to be collected, lot owners are entitled to a notice from the HOA on each bill and other invoice for which electronic payment is authorized, that an electronic payment fee will be charged.
- Where lot owners that believe that that the board of directors or other governing body of a HOA have failed to comply with the election procedures provisions of the governing documents of the HOA, they may submit the dispute to the Division of Consumer Protection of the Office of the Attorney General if the provisions concern:
 - o Notice about the date, time, and place for the election of the board of directors or other governing body;
 - o The manner in which a call is made for nominations for the board of directors or other governing body;
 - o The format of the election ballot;
 - o The format, provision, and use of proxies during the election process; or
 - o The manner in which a quorum is determined for election purposes.

NOTICE:

These lists of rights and responsibilities relating to various common ownership communities are intended to summarize significant rights and responsibilities, but they are not exhaustive. Information relating to each common ownership community can be found in the Annotated Code of Maryland: Title 11 of the Real Property Article (Condominiums); Title 5, Subtitle 6b of the Corporations and Associations Article (Cooperative Housing Corporations); and Title 11B of the Real Property Article (Homeowners Associations). Additional rights and responsibilities may be identified in articles of incorporation, recorded covenants or restrictions, declarations, rules, regulations, or bylaws applicable to your Common Ownership Community.

This information does not constitute legal advice. You are encouraged to consult with an attorney with questions relating to your rights and responsibilities.