

# HOUSE BILL 286

N1

(3lr0618)

## *ENROLLED BILL*

— *Environmental Matters/Judicial Proceedings* —

Introduced by **Delegates Niemann, Beidle, Glenn, and Lafferty**

Read and Examined by Proofreaders:

\_\_\_\_\_  
Proofreader.

\_\_\_\_\_  
Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this

\_\_\_\_\_ day of \_\_\_\_\_ at \_\_\_\_\_ o'clock, \_\_\_\_\_ M.

\_\_\_\_\_  
Speaker.

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

1 AN ACT concerning

### 2 **Real Property – Common Ownership Communities – Foreclosure of Liens**

3 FOR the purpose of authorizing the governing body of a common ownership  
4 community to foreclose on a lien against a unit owner, ~~member~~, or lot owner  
5 only if the damages secured by the lien consist solely of certain delinquent  
6 assessments, ~~costs~~, and certain reasonable costs and attorney's fees under  
7 certain circumstances; defining certain terms; providing for the application of  
8 this Act; and generally relating to the foreclosure of liens by the governing body  
9 of a common ownership community.

10 BY repealing and reenacting, with amendments,  
11 Article – Real Property  
12 Section 14–204  
13 Annotated Code of Maryland  
14 (2010 Replacement Volume and 2012 Supplement)

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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.

*Italics* indicate opposite chamber/conference committee amendments.



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

3 **Article – Real Property**

4 14–204.

5 (a) **[A] EXCEPT AS PROVIDED IN SUBSECTION (D) OF THIS SECTION, A**  
6 lien may be enforced and foreclosed by the party who obtained the lien in the same  
7 manner, and subject to the same requirements, as the foreclosure of mortgages or  
8 deeds of trust on property in this State containing a power of sale or an assent to a  
9 decree.

10 (b) If the owner of property subject to a lien is personally liable for alleged  
11 damages, suit for any deficiency following foreclosure may be maintained in the same  
12 proceeding, and suit for a monetary judgment for unpaid damages may be maintained  
13 without waiving any lien securing the same.

14 (c) Any action to foreclose a lien shall be brought within 12 years following  
15 recordation of the statement of lien.

16 **(D) (1) (I) IN THIS SUBSECTION THE FOLLOWING WORDS HAVE**  
17 **THE MEANINGS INDICATED.**

18 **(II) “COMMON OWNERSHIP COMMUNITY” MEANS:**

19 1. **A CONDOMINIUM AS DEFINED IN § 11–101 OF THIS**  
20 **ARTICLE; OR**

21 2. ~~**A COOPERATIVE HOUSING CORPORATION AS**~~  
22 ~~**DEFINED IN § 5-6B-01 OF THE CORPORATIONS AND ASSOCIATIONS ARTICLE;**~~  
23 ~~**OR**~~

24 ~~**3. A HOMEOWNERS ASSOCIATION AS DEFINED IN §**~~  
25 ~~**11B–101 OF THIS ARTICLE.**~~

26 **(III) “GOVERNING BODY” MEANS A PERSON WHO HAS**  
27 **AUTHORITY TO ENFORCE THE DECLARATION, ARTICLES OF INCORPORATION,**  
28 **BYLAWS, RULES, OR REGULATIONS OF A COMMON OWNERSHIP COMMUNITY.**

29 **(2) NOTWITHSTANDING THE DECLARATION, ARTICLES OF**  
30 **INCORPORATION, BYLAWS, RULES, OR REGULATIONS OF A COMMON OWNERSHIP**  
31 **COMMUNITY, A GOVERNING BODY MAY FORECLOSE ON A LIEN AGAINST A UNIT**

1 OWNER, ~~MEMBER,~~ OR LOT OWNER ONLY IF THE DAMAGES SECURED BY THE  
2 LIEN:

3 (I) CONSIST SOLELY OF ~~DELINQUENT:~~

4 1. DELINQUENT MONTHLY PERIODIC ASSESSMENTS  
5 OR SPECIAL ASSESSMENTS; AND

6 2. ~~COSTS~~ REASONABLE COSTS AND ATTORNEY'S  
7 FEES DIRECTLY RELATED TO THE FILING OF THE LIEN ~~OR EFFORTS TO COLLECT~~  
8 AND NOT EXCEEDING THE AMOUNT OF THE DELINQUENT ASSESSMENTS; AND

9 (II) DO NOT INCLUDE FINES IMPOSED BY THE GOVERNING  
10 BODY OR ATTORNEY'S FEES RELATED TO RECOVERING THE FINES.

11 (3) THIS SUBSECTION DOES NOT PRECLUDE A GOVERNING BODY  
12 FROM USING ANY OTHER MEANS TO ENFORCE A LIEN AGAINST A UNIT OWNER,  
13 ~~MEMBER,~~ OR LOT OWNER ~~FOR DELINQUENT MONTHLY OR SPECIAL~~  
14 ~~ASSESSMENTS.~~

15 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall be  
16 construed to apply only prospectively and may not be applied or interpreted to have  
17 any effect on or application to any lien filed before the effective date of this Act.

18 SECTION ~~2.~~ 3. AND BE IT FURTHER ENACTED, That this Act shall take  
19 effect October 1, 2013.

Approved:

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Governor.

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Speaker of the House of Delegates.

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President of the Senate.