

HOUSE BILL 286

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3lr0618
CF SB 161

By: **Delegates Niemann, Beidle, Glenn, and Lafferty**

Introduced and read first time: January 23, 2013

Assigned to: Environmental Matters

Committee Report: Favorable with amendments

House action: Adopted with floor amendments

Read second time: March 12, 2013

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 attorney's fees under certain circumstances; defining
7 certain terms; providing for the application of this Act; and generally relating to
8 the foreclosure of liens by the governing body of a common ownership
9 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)

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

17 **Article – Real Property**

18 14–204.

19 (a) **[A] EXCEPT AS PROVIDED IN SUBSECTION (D) OF THIS SECTION, A**
20 lien may be enforced and foreclosed by the party who obtained the lien in the same

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 manner, and subject to the same requirements, as the foreclosure of mortgages or
 2 deeds of trust on property in this State containing a power of sale or an assent to a
 3 decree.

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

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

10 (D) (1) (I) IN THIS SUBSECTION THE FOLLOWING WORDS HAVE
 11 THE MEANINGS INDICATED.

12 (II) "COMMON OWNERSHIP COMMUNITY" MEANS:

13 1. A CONDOMINIUM AS DEFINED IN § 11-101 OF THIS
 14 ARTICLE; OR

15 2. ~~A COOPERATIVE HOUSING CORPORATION AS~~
 16 ~~DEFINED IN § 5-6B-01 OF THE CORPORATIONS AND ASSOCIATIONS ARTICLE;~~
 17 ~~OR~~

18 ~~3.~~ A HOMEOWNERS ASSOCIATION AS DEFINED IN §
 19 11B-101 OF THIS ARTICLE.

20 (III) "GOVERNING BODY" MEANS A PERSON WHO HAS
 21 AUTHORITY TO ENFORCE THE DECLARATION, ARTICLES OF INCORPORATION,
 22 BYLAWS, RULES, OR REGULATIONS OF A COMMON OWNERSHIP COMMUNITY.

23 (2) NOTWITHSTANDING THE DECLARATION, ARTICLES OF
 24 INCORPORATION, BYLAWS, RULES, OR REGULATIONS OF A COMMON OWNERSHIP
 25 COMMUNITY, A GOVERNING BODY MAY FORECLOSE ON A LIEN AGAINST A UNIT
 26 OWNER, ~~MEMBER,~~ OR LOT OWNER ONLY IF THE DAMAGES SECURED BY THE
 27 LIEN:

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

29 1. DELINQUENT MONTHLY PERIODIC ASSESSMENTS
 30 OR SPECIAL ASSESSMENTS; AND

31 2. COSTS AND ATTORNEY'S FEES DIRECTLY
 32 RELATED TO THE FILING OF THE LIEN OR EFFORTS TO COLLECT THE
 33 DELINQUENT ASSESSMENTS; AND

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

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

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

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

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.