

SENATE BILL 161

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3lr0617
CF 3lr0618

By: **Senator Kelley**

Introduced and read first time: January 17, 2013

Assigned to: Judicial Proceedings

A BILL ENTITLED

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 under certain circumstances; defining certain terms; and generally
7 relating to the foreclosure of liens by the governing body of a common ownership
8 community.

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

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

16 **Article – Real Property**

17 14–204.

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

23 (b) If the owner of property subject to a lien is personally liable for alleged
24 damages, suit for any deficiency following foreclosure may be maintained in the same

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 proceeding, and suit for a monetary judgment for unpaid damages may be maintained
2 without waiving any lien securing the same.

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

5 (D) (1) (I) IN THIS SUBSECTION THE FOLLOWING WORDS HAVE
6 THE MEANINGS INDICATED.

7 (II) "COMMON OWNERSHIP COMMUNITY" MEANS:

8 1. A CONDOMINIUM AS DEFINED IN § 11-101 OF THIS
9 ARTICLE;

10 2. A COOPERATIVE HOUSING CORPORATION AS
11 DEFINED IN § 5-6B-01 OF THE CORPORATIONS AND ASSOCIATIONS ARTICLE;
12 OR

13 3. A HOMEOWNERS ASSOCIATION AS DEFINED IN §
14 11B-101 OF THIS ARTICLE.

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

18 (2) NOTWITHSTANDING THE DECLARATION, ARTICLES OF
19 INCORPORATION, BYLAWS, RULES, OR REGULATIONS OF A COMMON OWNERSHIP
20 COMMUNITY, A GOVERNING BODY MAY FORECLOSE ON A LIEN AGAINST A UNIT
21 OWNER, MEMBER, OR LOT OWNER ONLY IF THE DAMAGES SECURED BY THE
22 LIEN:

23 (I) CONSIST SOLELY OF DELINQUENT MONTHLY OR
24 SPECIAL ASSESSMENTS; AND

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

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

31 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
32 October 1, 2013.

