

# HOUSE BILL 971

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By: **Delegates Niemann, Barnes, Braveboy, Dumais, Frush, Gaines, Healey, Lafferty, and V. Turner**

Introduced and read first time: February 6, 2014

Assigned to: Environmental Matters

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## A BILL ENTITLED

1 AN ACT concerning

2 **Condominiums and Homeowners Associations – Unpaid Assessments and**  
3 **Fees – Petition for Relief**

4 FOR the purpose of authorizing the governing body of a condominium or homeowners  
5 association to petition the District Court for relief if a unit owner or lot owner  
6 has failed to pay assessments and fees for a certain period of time and is renting  
7 the unit or lot to a tenant; requiring a certified copy of the petition to be served  
8 on the unit owner or lot owner and the tenant under certain circumstances;  
9 authorizing the District Court to enter an order directing the tenant to pay rent  
10 due under the lease to certain persons under certain circumstances; requiring  
11 the District Court to order certain persons to apply rent payments received to  
12 the payment of any future assessments and fees under certain circumstances;  
13 prohibiting a unit owner or lot owner from taking certain actions against a  
14 tenant under certain circumstances; and generally relating to unpaid  
15 assessments and fees in condominiums and homeowners associations.

16 BY adding to

17 Article – Real Property

18 Section 11–110.1 and 11B–117.1

19 Annotated Code of Maryland

20 (2010 Replacement Volume and 2013 Supplement)

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

23 **Article – Real Property**

24 **11–110.1.**

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1           **(A) THE GOVERNING BODY OF A CONDOMINIUM MAY PETITION THE**  
2 **DISTRICT COURT FOR RELIEF IF A UNIT OWNER:**

3                   **(1) HAS FAILED TO PAY ASSESSMENTS AND FEES FOR A UNIT FOR**  
4 **90 DAYS OR LONGER; AND**

5                   **(2) IS RENTING THE UNIT TO A TENANT UNDER A RESIDENTIAL**  
6 **LEASE.**

7           **(B) A CERTIFIED COPY OF THE PETITION SHALL BE SERVED BY**  
8 **PERSONAL SERVICE UNDER THE MARYLAND RULES ON:**

9                   **(1) THE UNIT OWNER; AND**

10                   **(2) THE TENANT WHO IS RESIDING IN THE UNIT.**

11           **(C) AFTER A HEARING, THE DISTRICT COURT MAY ENTER AN ORDER**  
12 **DIRECTING THE TENANT TO PAY ALL OR A PORTION OF THE RENT AS THE RENT**  
13 **COMES DUE UNDER THE LEASE TO:**

14                   **(1) THE GOVERNING BODY; OR**

15                   **(2) A DESIGNATED CUSTODIAN.**

16           **(D) (1) IF THE DISTRICT COURT ENTERS AN ORDER UNDER**  
17 **SUBSECTION (C) OF THIS SECTION, THE DISTRICT COURT:**

18                           **(I) SHALL ORDER THE GOVERNING BODY OR THE**  
19 **DESIGNATED CUSTODIAN TO APPLY ALL OR A PORTION OF THE RENT PAYMENTS**  
20 **RECEIVED TO THE PAYMENT OF ANY FUTURE ASSESSMENTS AND FEES; AND**

21                           **(II) MAY:**

22                                   **1. IMPOSE REASONABLE ATTORNEY'S FEES AND**  
23 **COURT COSTS ON THE UNIT OWNER; AND**

24                                   **2. ORDER THAT THE ATTORNEY'S FEES AND COURT**  
25 **COSTS BE PAID OUT OF ANY FUTURE RENT PAYMENTS.**

26                   **(2) AN ORDER ENTERED UNDER SUBSECTION (C) OF THIS**  
27 **SECTION SHALL EXPIRE WHEN ALL ASSESSMENTS AND FEES HAVE BEEN**  
28 **SATISFIED AS DETERMINED BY THE DISTRICT COURT.**

1           **(E) IF THE DISTRICT COURT ENTERS AN ORDER UNDER SUBSECTION**  
2 **(C) OF THIS SECTION, THE UNIT OWNER MAY NOT:**

3           **(1) BRING OR THREATEN TO BRING AN ACTION FOR POSSESSION**  
4 **AGAINST THE TENANT FOR FAILURE TO PAY RENT;**

5           **(2) ARBITRARILY INCREASE THE RENT OR DECREASE THE**  
6 **SERVICES TO WHICH THE TENANT IS ENTITLED; OR**

7           **(3) ARBITRARILY TERMINATE THE LEASE BEFORE THE END OF**  
8 **THE TERM OF THE LEASE.**

9 **11B-117.1.**

10           **(A) THE GOVERNING BODY OF A HOMEOWNERS ASSOCIATION MAY**  
11 **PETITION THE DISTRICT COURT FOR RELIEF IF A LOT OWNER:**

12           **(1) HAS FAILED TO PAY ASSESSMENTS AND FEES FOR A LOT FOR**  
13 **90 DAYS OR LONGER; AND**

14           **(2) IS RENTING THE LOT TO A TENANT UNDER A RESIDENTIAL**  
15 **LEASE.**

16           **(B) A CERTIFIED COPY OF THE PETITION SHALL BE SERVED BY**  
17 **PERSONAL SERVICE UNDER THE MARYLAND RULES ON:**

18           **(1) THE LOT OWNER; AND**

19           **(2) THE TENANT WHO IS RESIDING IN THE LOT.**

20           **(C) AFTER A HEARING, THE DISTRICT COURT MAY ENTER AN ORDER**  
21 **DIRECTING THE TENANT TO PAY ALL OR A PORTION OF THE RENT AS THE RENT**  
22 **COMES DUE UNDER THE LEASE TO:**

23           **(1) THE GOVERNING BODY; OR**

24           **(2) A DESIGNATED CUSTODIAN.**

25           **(D) (1) IF THE DISTRICT COURT ENTERS AN ORDER UNDER**  
26 **SUBSECTION (C) OF THIS SECTION, THE DISTRICT COURT:**

1                   **(I) SHALL ORDER THE GOVERNING BODY OR THE**  
2 **DESIGNATED CUSTODIAN TO APPLY ALL OR A PORTION OF THE RENT PAYMENTS**  
3 **RECEIVED TO THE PAYMENT OF ANY FUTURE ASSESSMENTS AND FEES; AND**

4                   **(II) MAY:**

5                               **1. IMPOSE REASONABLE ATTORNEY'S FEES AND**  
6 **COURT COSTS ON THE LOT OWNER; AND**

7                               **2. ORDER THAT THE ATTORNEY'S FEES AND COURT**  
8 **COSTS BE PAID OUT OF ANY FUTURE RENT PAYMENTS.**

9                   **(2) AN ORDER ENTERED UNDER SUBSECTION (C) OF THIS**  
10 **SECTION SHALL EXPIRE WHEN ALL ASSESSMENTS AND FEES HAVE BEEN**  
11 **SATISFIED AS DETERMINED BY THE DISTRICT COURT.**

12                   **(E) IF THE DISTRICT COURT ENTERS AN ORDER UNDER SUBSECTION**  
13 **(C) OF THIS SECTION, THE LOT OWNER MAY NOT:**

14                               **(1) BRING OR THREATEN TO BRING AN ACTION FOR POSSESSION**  
15 **AGAINST THE TENANT FOR FAILURE TO PAY RENT;**

16                               **(2) ARBITRARILY INCREASE THE RENT OR DECREASE THE**  
17 **SERVICES TO WHICH THE TENANT IS ENTITLED; OR**

18                               **(3) ARBITRARILY TERMINATE THE LEASE BEFORE THE END OF**  
19 **THE TERM OF THE LEASE.**

20                   SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
21 October 1, 2014.