N1 8lr0874

By: Delegates Rey, Adams, Holmes, and Morgan

Introduced and read first time: January 19, 2018 Assigned to: Environment and Transportation

A BILL ENTITLED

4	A TAT		•
T	AN	ACT	concerning

2

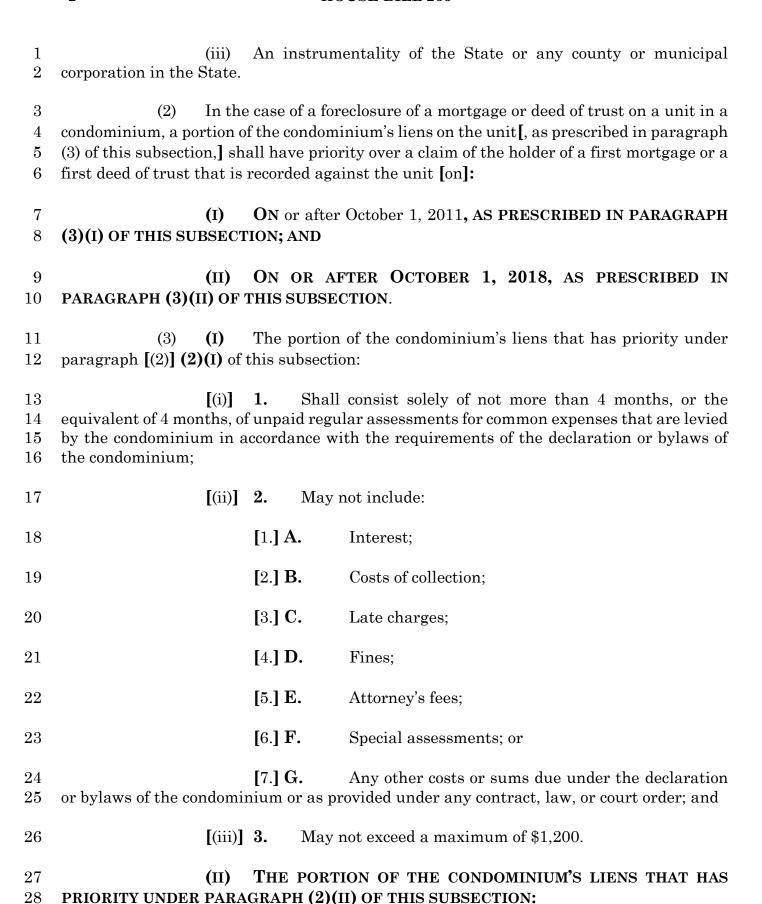
Condominiums - Lien Priority - Unpaid Water and Sewer Charges

- FOR the purpose of providing that, in the case of a foreclosure of a mortgage or deed of trust on a condominium unit, a certain portion of the condominium's liens on the unit has priority over the claim of a holder of a first mortgage or first deed of trust under certain circumstances; providing that the portion of a condominium's liens that has a certain priority shall consist solely of certain unpaid water and sewer charges not exceeding a certain amount under certain circumstances; providing for the application of this Act; and generally relating to liens on condominium units.
- 10 BY repealing and reenacting, with amendments,
- 11 Article Real Property
- 12 Section 11–110(f)
- 13 Annotated Code of Maryland
- 14 (2015 Replacement Volume and 2017 Supplement)
- 15 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
- 16 That the Laws of Maryland read as follows:

17 Article – Real Property

- 18 11–110.
- 19 (f) (1) This subsection does not limit or affect the priority of any lien, secured 20 interest, or other encumbrance with priority that is held by or for the benefit of, purchased
- 21 by, assigned to, or securing any indebtedness to:
- 22 (i) The State or any county or municipal corporation in the State;
- 23 (ii) Any unit of State government or the government of any county 24 or municipal corporation in the State; or





- 1. SHALL CONSIST SOLELY OF ANY WATER AND SEWER 2 CHARGES UNPAID BY THE UNIT OWNER AND OWED TO THE CONDOMINIUM; AND
- 2. IF WATER AND SEWER CHARGES ARE NOT INDIVIDUALLY METERED, MAY NOT EXCEED THE AMOUNT THAT WOULD HAVE BEEN OWED BY THE UNIT OWNER IF THE UNIT WERE INDIVIDUALLY METERED.
- 6 (4) (i) Subject to subparagraph (ii) of this paragraph, at the request of the holder of a first mortgage or first deed of trust on a unit in a condominium, the governing body shall provide to the holder written information about the portion of any lien filed under the Maryland Contract Lien Act that has priority as prescribed under paragraph (3) of this subsection, including information that is sufficient to allow the holder to determine the basis for the portion of the lien that has priority.
- 12 (ii) At the time of making a request under subparagraph (i) of this 13 paragraph, the holder shall provide the governing body of the condominium with the 14 written contact information of the holder.
- (iii) If the governing body of the condominium fails to provide written information to the holder under subparagraph (i) of this paragraph within 30 days after the filing of the statement of lien among the land records of each county in which the condominium is located, the portion of the condominium's liens does not have priority as prescribed under paragraph (2) of this subsection.
 - SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall be construed to apply only prospectively and may not be applied or interpreted to have any effect on or application to any first mortgage or first deed of trust on a condominium unit that is recorded before the effective date of this Act.

20

21

22

23

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2018.