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**By: Delegates Bobo, Goldwater, Bozman, Perry, Pendergrass, and B. Hughes**

Introduced and read first time: January 31, 1997

Assigned to: Economic Matters

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A BILL ENTITLED

1 AN ACT concerning

2 **Real Property - Priority of Liens - Homeowners Associations**

3 FOR the purpose of providing that certain lot owners within homeowners associations are  
4 liable for certain fees and assessments; allowing homeowners associations to enforce  
5 certain assessments and charges by imposition of a certain lien under certain  
6 circumstances; providing that a certain portion of a certain lien on a lot within a  
7 homeowners association is prior to a first mortgage or deed of trust under certain  
8 circumstances; providing that certain provisions of this Act do not affect or limit  
9 certain liens; and generally relating to liens on lots within homeowners associations.

10 BY repealing and reenacting, with amendments,

11 Article - Real Property  
12 Section 11B-114  
13 Annotated Code of Maryland  
14 (1996 Replacement Volume and 1996 Supplement)

15 BY adding to

16 Article - Real Property  
17 Section 11B-114  
18 Annotated Code of Maryland  
19 (1996 Replacement Volume and 1996 Supplement)

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

22 **Article - Real Property**

23 11B-114.

24 (A) AS PROVIDED IN THE DECLARATION OR BYLAWS, A LOT OWNER SHALL  
25 BE LIABLE FOR ALL HOMEOWNERS ASSOCIATION ASSESSMENTS AND CHARGES  
26 THAT COME DUE DURING THE TIME THAT THE LOT OWNER OWNS THE LOT.

27 (B) IN ADDITION TO ANY OTHER REMEDIES AVAILABLE AT LAW, A  
28 HOMEOWNERS ASSOCIATION MAY ENFORCE THE PAYMENT OF THE ASSESSMENTS  
29 AND CHARGES PROVIDED IN THE DECLARATION BY THE IMPOSITION OF A LIEN ON  
30 A LOT IN ACCORDANCE WITH THE MARYLAND CONTRACT LIEN ACT.

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1 (C) IN THE CASE OF A FORECLOSURE SALE, THAT PORTION OF A  
2 HOMEOWNERS ASSOCIATION LIEN CONSISTING OF NOT MORE THAN 6 MONTHS OF  
3 UNPAID ASSESSMENTS, IMPOSED ON A LOT IN ACCORDANCE WITH SUBSECTION (B)  
4 OF THIS SECTION, SHALL HAVE PRIORITY OVER THE CLAIM OF THE HOLDER OF A  
5 FIRST MORTGAGE OR DEED OF TRUST RECORDED AGAINST THE LOT AFTER  
6 OCTOBER 1, 1997.

7 (D) NOTHING IN THIS SECTION LIMITS OR AFFECTS THE PRIORITY OF ANY  
8 LIEN:

9 (1) IMPOSED IN ACCORDANCE WITH A DECLARATION THAT PROVIDES  
10 FOR A FIRST PRIORITY LIEN; OR

11 (2) A MORTGAGE OR DEED OF TRUST HELD BY OR FOR THE BENEFIT  
12 OF, PURCHASED BY, ASSIGNED TO, OR SECURING:

13 (I) THE STATE;

14 (II) A UNIT OF STATE GOVERNMENT; OR

15 (III) AN INSTRUMENTALITY OF THE STATE.

16 [11B-114.] 11B-115.

17 This title may be cited as the Maryland Homeowners Association Act.

18 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
19 October 1, 1997.