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

Introduced and read first time: January 31, 1997

Assigned to: Economic Matters

A BILL ENTITLED

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Ι.	AN	ACT.	concerning

2 Condominiums - Liens - Priority

- 3 FOR the purpose of providing that a certain portion of a certain lien on a condominium
- 4 unit is prior to a first mortgage or deed of trust under certain circumstances; and
- 5 generally relating to liens on condominium units.
- 6 BY repealing and reenacting, with amendments,
- 7 Article Real Property
- 8 Section 11-110(d)
- 9 Annotated Code of Maryland
- 10 (1996 Replacement Volume and 1996 Supplement)

11 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF

12 MARYLAND, That the Laws of Maryland read as follows:

13 Article - Real Property

14 11-110.

- 15 (d) (1) Payment of assessments, together with interest, late charges, if any, costs
- 16 of collection and reasonable attorney's fees may be enforced by the imposition of a lien
- 17 on a unit in accordance with the provisions of the Maryland Contract Lien Act.
- 18 (2) Suit for any deficiency following foreclosure may be maintained in the
- 19 same proceeding, and suit to recover any money judgment for unpaid assessments may
- 20 also be maintained in the same proceeding, without waiving the right to seek to impose a
- 21 lien under the Maryland Contract Lien Act.
- 22 (3) (I) THIS PARAGRAPH DOES NOT APPLY TO MORTGAGES OR
- 23 DEEDS OF TRUST HELD BY OR FOR THE BENEFIT OF, PURCHASED BY, ASSIGNED TO,
- 24 OR SECURING AN INDEBTEDNESS TO:
- 25 1. THE STATE;
- 26 2. A UNIT OF STATE GOVERNMENT; OR
- 27 3. AN INSTRUMENTALITY OF THE STATE.
- 28 (II) IN THE CASE OF A FORECLOSURE SALE, THAT PORTION OF A
- 29 LIEN CONSISTING OF NOT MORE THAN 6 MONTHS OF UNPAID ASSESSMENTS ON A

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- 1 UNIT IS PRIOR TO A CLAIM OF A FIRST MORTGAGE OR DEED OF TRUST RECORDED
- 2 AGAINST THE PROPERTY ON OR AFTER OCTOBER 1, 1997 IF THE ASSESSMENTS
- 3 INCLUDED IN THE LIEN ARE:
- 4 1. BASED ON THE EXPENSES DESCRIBED IN SUBSECTION (B)
- 5 OF THIS SECTION; AND
- 6 2. IN ACCORDANCE WITH THE ANNUAL BUDGET ADOPTED
- 7 BY THE COUNCIL OF UNIT OWNERS.
- 8 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
- 9 October 1, 1997.