
**By: Delegates Bobo, Goldwater, Perry, Pendergrass, Bozman, and B. Hughes B. Hughes,
Patterson, Barve, Exum, Frank, and Gordon**

Introduced and read first time: January 31, 1997

Assigned to: Economic Matters

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 20, 1997

CHAPTER ____

1 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;
5 providing for the abrogation of this Act upon the occurrence of a certain
6 contingency; and generally relating to liens on condominium units.

7 BY repealing and reenacting, with amendments,

8 Article - Real Property

9 Section 11-110(d)

10 Annotated Code of Maryland

11 (1996 Replacement Volume and 1996 Supplement)

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

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

14 **Article - Real Property**

15 11-110.

16 (d) (1) Payment of assessments, together with interest, late charges, if any, costs
17 of collection and reasonable attorney's fees may be enforced by the imposition of a lien
18 on a unit in accordance with the provisions of the Maryland Contract Lien Act.

19 (2) Suit for any deficiency following foreclosure may be maintained in the
20 same proceeding, and suit to recover any money judgment for unpaid assessments may
21 also be maintained in the same proceeding, without waiving the right to seek to impose a
22 lien under the Maryland Contract Lien Act.

2

1 (3) (I) THIS PARAGRAPH DOES NOT APPLY TO MORTGAGES OR
2 DEEDS OF TRUST HELD BY OR FOR THE BENEFIT OF, PURCHASED BY, ASSIGNED TO,
3 OR SECURING AN INDEBTEDNESS TO:

4 1. THE STATE;

5 2. A UNIT OF STATE GOVERNMENT; OR

6 3. AN INSTRUMENTALITY OF THE STATE.

7 (II) IN THE CASE OF A FORECLOSURE SALE, THAT PORTION OF A
8 LIEN CONSISTING OF NOT MORE THAN 6 MONTHS OF UNPAID ASSESSMENTS ON A
9 UNIT IS PRIOR TO A CLAIM OF A FIRST MORTGAGE OR DEED OF TRUST RECORDED
10 AGAINST THE PROPERTY ON OR AFTER OCTOBER 1, 1997 IF THE ASSESSMENTS
11 INCLUDED IN THE LIEN ARE:

12 1. BASED ON ~~THE~~ EXPENSES DESCRIBED IN SUBSECTION (B)
13 OF THIS SECTION THAT WERE IN EFFECT AT THE TIME THAT SETTLEMENT ON THE
14 FIRST MORTGAGE OR DEED OF TRUST OCCURRED; AND

15 2. IN ACCORDANCE WITH THE ANNUAL BUDGET ADOPTED
16 BY THE COUNCIL OF UNIT OWNERS AND THAT WAS IN EFFECT AT THE TIME THAT
17 SETTLEMENT ON THE FIRST MORTGAGE OR DEED OF TRUST OCCURRED.

18 SECTION 2. AND BE IT FURTHER ENACTED, That the provisions of this Act
19 shall be abrogated and of no force or effect if the Federal Home Loan Mortgage
20 Corporation or the Federal National Mortgage Association, by rule, regulation, or policy
21 ceases to purchase first mortgages on condominium units in condominium associations in
22 this State. The Secretary of State, within 5 days after determining that the contingency
23 provided in this section has occurred, shall notify in writing the Department of Legislative
24 Reference.

25 SECTION ~~2-~~ 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
26 October 1, 1997.