Unofficial Copy N1 2003 Regular Session 3lr1005

By: Senator Middleton

Introduced and read first time: January 23, 2003

Assigned to: Judicial Proceedings

## A BILL ENTITLED

	4 3 T		
1	AN	ACT:	concerning

- 2 Maryland Condominium Act Conditions of Right to Expand Charles
  3 County
- 4 FOR the purpose of providing that in Charles County a right shall be deemed
- 5 reserved in a condominium developer to expand a condominium for a certain
- 6 amount of time; providing for the effective date of certain provisions of this Act;
- 7 providing for the termination of certain provisions of this Act; and generally
- 8 relating to the Maryland Condominium Act.
- 9 BY repealing and reenacting, with amendments,
- 10 Article Real Property
- 11 Section 11-120
- 12 Annotated Code of Maryland
- 13 (1996 Replacement Volume and 2002 Supplement)
- 14 BY repealing and reenacting, with amendments,
- 15 Article Real Property
- 16 Section 11-120
- 17 Annotated Code of Maryland
- 18 (1996 Replacement Volume and 2002 Supplement)
- 19 (As enacted by Chapter 697 of the Acts of the General Assembly of 2000)
- 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 11-120.
- 24 (a) A developer may reserve the right to expand the condominium by
- 25 subjecting additional sections of property to the condominium regime in a manner so
- 26 that as each additional section of property is subjected to the condominium regime:

## SENATE BILL 121

	(1) The percentage interests in the common elements of the unit owners in preceding sections shall be reduced and appropriate percentage interests in the common elements of the added sections shall vest in them; and
4 5	(2) Appropriate percentage interests in the common elements of the preceding sections shall vest in unit owners in the added sections.
6 7	(b) The reservation of the right to expand a condominium is subject to the conditions provided in this subsection.
	(1) The declaration establishing the condominium shall describe each parcel of property which may be included in each section to be added to the condominium. This description may be made by reference to the condominium plat.
11	(2) The declaration establishing the condominium shall show:
12	(i) The maximum number of units which may be added; and
15 16 17 18	(ii) The percentage interests in the common elements, the percentage interests in the common expenses and common profits, and the number of votes appurtenant to each unit following the addition of each section of property to the condominium, if added. The percentage interests in the common elements and in common expenses and common profits, and the number of votes that each unit owner will have may be shown by reference to a formula or other appropriate method of determining them following each expansion of the condominium.
	(3) The condominium plat for the original condominium shall include, in general terms, the outlines of the land, buildings, and common elements of each successive section that may be added to the condominium.
25 26	(4) (i) Except as provided in subparagraph (ii) of this paragraph, in the declaration establishing the condominium a right shall be reserved in the developer for a period, not exceeding 10 years from the date of recording of the declaration, to add to the condominium any successive section described in the declaration and in the condominium plat.
30 31 32	(ii) In Calvert County AND IN CHARLES COUNTY, in an existing or new declaration for the condominium and notwithstanding anything contained in the declaration to the contrary, a right shall be deemed reserved in the developer for a period not exceeding 15 years from the date of recording of the declaration, to add to the condominium any successive section described in the declaration and in the condominium plat.
36 37 38 39	(c) (1) If there is compliance with the conditions of subsection (b) of this section, successive sections of property may be added to the condominium if the developer (i) records an amendment to the declaration, showing the new percentage interests of the unit owners, and the votes which each unit owner may cast in the condominium as expanded, and (ii) records an amendment to the condominium plat that includes the detail and information concerning the new section as required in the original condominium plat.

## SENATE BILL 121

3 4 5	(2) On recordation of the amendment of the declaration and plat, each unit owner, by operation of law, has the percentage interests in the common elements, and in the common expenses and common profits, and shall have the number of votes, set forth in the amendment to the declaration. Following any expansion, the interest of any mortgagee shall attach, by operation of law, to the new percentage interests in the common elements appurtenant to the unit on which it is a lien.
7 8	SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:
9	Article - Real Property
10	11-120.
	(a) A developer may reserve the right to expand the condominium by subjecting additional sections of property to the condominium regime in a manner so that as each additional section of property is subjected to the condominium regime:
	(1) The percentage interests in the common elements of the unit owners in preceding sections shall be reduced and appropriate percentage interests in the common elements of the added sections shall vest in them; and
17 18	(2) Appropriate percentage interests in the common elements of the preceding sections shall vest in unit owners in the added sections.
19 20	(b) The reservation of the right to expand a condominium is subject to the conditions provided in this subsection.
	(1) The declaration establishing the condominium shall describe each parcel of property which may be included in each section to be added to the condominium. This description may be made by reference to the condominium plat.
24	(2) The declaration establishing the condominium shall show:
25	(i) The maximum number of units which may be added; and
28 29 30 31	(ii) The percentage interests in the common elements, the percentage interests in the common expenses and common profits, and the number of votes appurtenant to each unit following the addition of each section of property to the condominium, if added. The percentage interests in the common elements and in common expenses and common profits, and the number of votes that each unit owner will have may be shown by reference to a formula or other appropriate method of determining them following each expansion of the condominium.
	(3) The condominium plat for the original condominium shall include, in general terms, the outlines of the land, buildings, and common elements of each successive section that may be added to the condominium.
36 37	(4) (I) [In] EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF THIS PARAGRAPH, IN the declaration establishing the condominium a right shall be

## **SENATE BILL 121**

- 1 reserved in the developer for a period, not exceeding 10 years from the date of
- 2 recording of the declaration, to add to the condominium any successive section
- 3 described in the declaration and in the condominium plat.
- 4 (II) IN CHARLES COUNTY, IN AN EXISTING OR NEW DECLARATION
- 5 FOR THE CONDOMINIUM AND NOTWITHSTANDING ANYTHING CONTAINED IN THE
- 6 DECLARATION TO THE CONTRARY, A RIGHT SHALL BE DEEMED RESERVED IN THE
- 7 DEVELOPER FOR A PERIOD NOT EXCEEDING 15 YEARS FROM THE DATE OF
- 8 RECORDING OF THE DECLARATION, TO ADD TO THE CONDOMINIUM ANY
- 9 SUCCESSIVE SECTION DESCRIBED IN THE DECLARATION AND IN THE CONDOMINIUM 10 PLAT.
- 11 (c) (1) If there is compliance with the conditions of subsection (b) of this
- 12 section, successive sections of property may be added to the condominium if the
- 13 developer (i) records an amendment to the declaration, showing the new percentage
- 14 interests of the unit owners, and the votes which each unit owner may cast in the
- 15 condominium as expanded, and (ii) records an amendment to the condominium plat
- 16 that includes the detail and information concerning the new section as required in the
- 17 original condominium plat.
- 18 (2) On recordation of the amendment of the declaration and plat, each
- 19 unit owner, by operation of law, has the percentage interests in the common elements,
- 20 and in the common expenses and common profits, and shall have the number of votes,
- 21 set forth in the amendment to the declaration. Following any expansion, the interest
- 22 of any mortgagee shall attach, by operation of law, to the new percentage interests in
- 23 the common elements appurtenant to the unit on which it is a lien.
- 24 SECTION 3. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall
- 25 take effect on the taking effect of the termination provision specified in Section 2 of
- 26 Chapter 697 of the Acts of the General Assembly of 2000. If that termination provision
- 27 takes effect, Section 1 of this Act shall be abrogated and of no further force and effect.
- 28 This Act may not be interpreted to have any effect on that termination provision.
- 29 SECTION 4. AND BE IT FURTHER ENACTED, That, subject to the provisions
- 30 of Section 3 of this Act, this Act shall take effect October 1, 2003.