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By: **Delegates Bozman and Conway**  
 Introduced and read first time: January 26, 2005  
 Assigned to: Environmental Matters

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Committee Report: Favorable with amendments  
 House action: Adopted  
 Read second time: March 23, 2005

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CHAPTER\_\_\_\_\_

1 AN ACT concerning

2 **Real Property - Homeowners Associations - Electronic Payment Fees**

3 FOR the purpose of authorizing a homeowners association ~~that governs a certain~~  
 4 ~~development~~ to charge a certain person an electronic payment fee if the person  
 5 elects to pay the homeowners association with a credit card or debit card;  
 6 limiting a certain electronic payment fee to a certain amount; requiring a  
 7 homeowners association to provide notice that an electronic payment fee will be  
 8 charged under certain circumstances; defining a certain term; and generally  
 9 relating to the authority of a homeowners association to charge an electronic  
 10 payment fee.

11 BY renumbering  
 12 Article - Real Property  
 13 Section 11B-114  
 14 to be Section 11B-115  
 15 Annotated Code of Maryland  
 16 (2003 Replacement Volume and 2004 Supplement)

17 BY adding to  
 18 Article - Real Property  
 19 Section 11B-114  
 20 Annotated Code of Maryland  
 21 (2003 Replacement Volume and 2004 Supplement)

22 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
 23 MARYLAND, That Section(s) 11B-114 of Article - Real Property of the Annotated  
 24 Code of Maryland be renumbered to be Section(s) 11B-115.

1 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland  
2 read as follows:

3 **Article - Real Property**

4 11B-114.

5 (A) IN THIS SECTION, "ELECTRONIC PAYMENT" MEANS PAYMENT BY CREDIT  
6 CARD OR DEBIT CARD.

7 ~~(B) THIS SECTION ONLY APPLIES TO A HOMEOWNERS ASSOCIATION THAT~~  
8 ~~GOVERNS A DEVELOPMENT WITH A POPULATION OF AT LEAST 10,000 INDIVIDUALS.~~

9 ~~(C) (B) NOTWITHSTANDING LANGUAGE CONTAINED IN THE GOVERNING~~  
10 ~~DOCUMENTS OF A HOMEOWNERS ASSOCIATION, A HOMEOWNERS ASSOCIATION MAY~~  
11 ~~REQUIRE A PERSON FROM WHOM PAYMENT IS DUE TO PAY A REASONABLE~~  
12 ~~ELECTRONIC PAYMENT FEE IF THE PERSON ELECTS TO PAY THE HOMEOWNERS~~  
13 ~~ASSOCIATION BY MEANS OF ELECTRONIC PAYMENT.~~

14 ~~(D) (C)~~ (C) AN ELECTRONIC PAYMENT FEE MAY NOT EXCEED THE AMOUNT OF  
15 ANY FEE THAT MAY BE CHARGED TO THE HOMEOWNERS ASSOCIATION IN  
16 CONNECTION WITH USE OF THE CREDIT CARD OR DEBIT CARD.

17 ~~(E) (D)~~ (D) IF A HOMEOWNERS ASSOCIATION ELECTS TO CHARGE AN  
18 ELECTRONIC PAYMENT FEE UNDER THIS SECTION, THE HOMEOWNERS ASSOCIATION  
19 SHALL SPECIFY ON OR INCLUDE NOTICE WITH EACH BILL AND OTHER INVOICES FOR  
20 WHICH ELECTRONIC PAYMENT IS AUTHORIZED THAT AN ELECTRONIC PAYMENT FEE  
21 WILL BE CHARGED.

22 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect  
23 October 1, 2005.