

HOUSE BILL 682

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By: **Delegates Niemann, Bohanan, Ali, Barkley, Barnes, Beidle, Benson, Cane, Carr, V. Clagett, Davis, Feldman, Glenn, Griffith, Gutierrez, Holmes, Hucker, Jones, Lafferty, Levy, Manno, McComas, McConkey, Pena-Melnyk, Ramirez, Rosenberg, Ross, Shewell, Simmons, Sossi, Stein, Stull, V. Turner, and Vaughn**

Introduced and read first time: February 1, 2008

Assigned to: Environmental Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Condominiums and Homeowners Associations – Foreclosures – Imposition of**
3 **and Liability for Liens**

4 FOR the purpose of providing that a grantee that obtains title to a condominium unit
5 in a foreclosure sale is jointly and severally liable with the unit owner for a
6 certain portion of a lien imposed for condominium assessments due under
7 certain circumstances; providing that a lot owner is liable for all homeowners
8 association assessments and charges due under certain circumstances;
9 authorizing the governing body of a homeowners association to impose a lien to
10 enforce the payment of homeowners association assessments and charges under
11 certain circumstances; providing that a grantee that obtains title to a lot in a
12 homeowners association in a foreclosure sale is jointly and severally liable with
13 the lot owner for a certain portion of a lien imposed for homeowners association
14 assessments and charges due under certain circumstances; altering the scope of
15 the Maryland Contract Lien Act; making stylistic changes; and generally
16 relating to the imposition of and liability for liens in condominiums and
17 homeowners associations.

18 BY repealing and reenacting, with amendments,
19 Article – Real Property
20 Section 11–110(c) and (d) and 14–201(b)
21 Annotated Code of Maryland
22 (2003 Replacement Volume and 2007 Supplement)

23 BY adding to
24 Article – Real Property
25 Section 11B–112.2

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



Annotated Code of Maryland
(2003 Replacement Volume and 2007 Supplement)

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

Article – Real Property

11–110.

(c) (1) A unit owner shall be liable for all assessments, or installments thereof, coming due while he is the owner of a unit.

(2) In a voluntary grant the grantee shall be jointly and severally liable with the grantor for all unpaid assessments against the grantor for his share of the common expenses up to the time of the voluntary grant for which a statement of lien is recorded, without prejudice to the rights of the grantee to recover from the grantor the amounts paid by the grantee for such assessments.

(3) Liability for assessments may not be avoided by waiver of the use or enjoyment of any common element or by abandonment of the unit for which the assessments are made.

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

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

(3) (I) **A GRANTEE, OTHER THAN A MORTGAGEE THAT OBTAINS TITLE TO A UNIT IN A FORECLOSURE SALE OR FROM A MORTGAGEE THAT OBTAINED TITLE IN A FORECLOSURE SALE, SHALL BE JOINTLY AND SEVERALLY LIABLE WITH THE UNIT OWNER AS OF THE DATE OF THE FORECLOSURE SALE FOR THE PORTION OF THE LIEN IMPOSED ON THE UNIT UNDER THE MARYLAND CONTRACT LIEN ACT IN AN AMOUNT UP TO 6 MONTHS OF ASSESSMENTS THAT ARE DUE WITHOUT ACCELERATION AS OF THE DATE OF THE FORECLOSURE SALE.**

(II) **PAYMENT BY THE GRANTEE OF THE AMOUNT DUE UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH IS WITHOUT PREJUDICE TO THE RIGHTS OF THE GRANTEE TO RECOVER THE AMOUNT PAID FROM THE UNIT OWNER AS OF THE DATE OF THE FORECLOSURE SALE.**

11B-112.2.

(A) AS PROVIDED IN THE DECLARATION, A LOT OWNER SHALL BE LIABLE FOR ALL HOMEOWNERS ASSOCIATION ASSESSMENTS AND CHARGES THAT COME DUE WHILE THE LOT OWNER OWNS A LOT.

(B) IN ADDITION TO ANY OTHER REMEDY UNDER LAW, THE GOVERNING BODY OF A HOMEOWNERS ASSOCIATION MAY ENFORCE THE PAYMENT OF THE ASSESSMENTS AND CHARGES OF THE HOMEOWNERS ASSOCIATION BY THE IMPOSITION OF A LIEN ON A LOT IN ACCORDANCE WITH THE PROVISIONS OF THE MARYLAND CONTRACT LIEN ACT.

(C) (1) A GRANTEE, OTHER THAN A MORTGAGEE THAT OBTAINS TITLE TO A LOT IN A FORECLOSURE SALE OR FROM A MORTGAGEE THAT OBTAINED TITLE IN A FORECLOSURE SALE, SHALL BE JOINTLY AND SEVERALLY LIABLE WITH THE LOT OWNER AS OF THE DATE OF THE FORECLOSURE SALE FOR THE PORTION OF THE LIEN IMPOSED ON THE LOT UNDER THE MARYLAND CONTRACT LIEN ACT IN AN AMOUNT UP TO 6 MONTHS OF ASSESSMENTS AND CHARGES THAT ARE DUE WITHOUT ACCELERATION AS OF THE DATE OF THE FORECLOSURE SALE.

(2) PAYMENT BY THE GRANTEE OF THE AMOUNT DUE UNDER PARAGRAPH (1) OF THIS SUBSECTION IS WITHOUT PREJUDICE TO THE RIGHTS OF THE GRANTEE TO RECOVER THE AMOUNT PAID FROM THE LOT OWNER AS OF THE DATE OF THE FORECLOSURE SALE.

14-201.

(b) (1) "Contract" means a real covenant running with the land or a contract recorded among the land records of a county or Baltimore City.

(2) "Contract" includes a declaration or bylaws recorded under the provisions of:

(I) [the] **THE** Maryland Condominium Act;

(II) **THE MARYLAND HOMEOWNERS ASSOCIATION ACT**; or

(III) [the] **THE** Maryland Real Estate Time-Sharing Act.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2008.