

SENATE BILL 161

N1

3lr0617
CF HB 286

By: **Senator Kelley**

Introduced and read first time: January 17, 2013

Assigned to: Judicial Proceedings

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: February 13, 2013

CHAPTER _____

1 AN ACT concerning

2 **Real Property – Common Ownership Communities – Foreclosure of Liens**

3 FOR the purpose of authorizing the governing body of a common ownership
4 community to foreclose on a lien against a unit owner, member, or lot owner
5 only if the damages secured by the lien consist solely of certain delinquent
6 assessments under certain circumstances; defining certain terms; and generally
7 relating to the foreclosure of liens by the governing body of a common ownership
8 community.

9 BY repealing and reenacting, with amendments,
10 Article – Real Property
11 Section 14–204
12 Annotated Code of Maryland
13 (2010 Replacement Volume and 2012 Supplement)

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

16 **Article – Real Property**

17 14–204.

18 (a) **[A] EXCEPT AS PROVIDED IN SUBSECTION (D) OF THIS SECTION, A**
19 lien may be enforced and foreclosed by the party who obtained the lien in the same
20 manner, and subject to the same requirements, as the foreclosure of mortgages or

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 deeds of trust on property in this State containing a power of sale or an assent to a
2 decree.

3 (b) If the owner of property subject to a lien is personally liable for alleged
4 damages, suit for any deficiency following foreclosure may be maintained in the same
5 proceeding, and suit for a monetary judgment for unpaid damages may be maintained
6 without waiving any lien securing the same.

7 (c) Any action to foreclose a lien shall be brought within 12 years following
8 recordation of the statement of lien.

9 (D) (1) (I) IN THIS SUBSECTION THE FOLLOWING WORDS HAVE
10 THE MEANINGS INDICATED.

11 (II) "COMMON OWNERSHIP COMMUNITY" MEANS:

12 1. A CONDOMINIUM AS DEFINED IN § 11-101 OF THIS
13 ARTICLE;

14 2. A COOPERATIVE HOUSING CORPORATION AS
15 DEFINED IN § 5-6B-01 OF THE CORPORATIONS AND ASSOCIATIONS ARTICLE;
16 OR

17 3. A HOMEOWNERS ASSOCIATION AS DEFINED IN §
18 11B-101 OF THIS ARTICLE.

19 (III) "GOVERNING BODY" MEANS A PERSON WHO HAS
20 AUTHORITY TO ENFORCE THE DECLARATION, ARTICLES OF INCORPORATION,
21 BYLAWS, RULES, OR REGULATIONS OF A COMMON OWNERSHIP COMMUNITY.

22 (2) NOTWITHSTANDING THE DECLARATION, ARTICLES OF
23 INCORPORATION, BYLAWS, RULES, OR REGULATIONS OF A COMMON OWNERSHIP
24 COMMUNITY, A GOVERNING BODY MAY FORECLOSE ON A LIEN AGAINST A UNIT
25 OWNER, MEMBER, OR LOT OWNER ONLY IF THE DAMAGES SECURED BY THE
26 LIEN:

27 (I) CONSIST SOLELY OF DELINQUENT ~~MONTHLY~~ PERIODIC
28 OR SPECIAL ASSESSMENTS; AND

29 (II) DO NOT INCLUDE FINES IMPOSED BY THE GOVERNING
30 BODY OR ATTORNEY'S FEES RELATED TO RECOVERING THE FINES.

31 (3) THIS SUBSECTION DOES NOT PRECLUDE A GOVERNING BODY
32 FROM USING ANY OTHER MEANS TO ENFORCE A LIEN AGAINST A UNIT OWNER,

1 MEMBER, OR LOT OWNER FOR DELINQUENT ~~MONTHLY~~ PERIODIC OR SPECIAL
2 ASSESSMENTS.

3 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
4 October 1, 2013.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.