

Department of Legislative Services
Maryland General Assembly
2017 Session

FISCAL AND POLICY NOTE
First Reader

Senate Bill 529

(Senator Benson)

Judicial Proceedings

Condominiums - Delinquent Owners - Restrictions on Common Element Usage

This bill authorizes a council of unit owners of a condominium to enact a provision in the bylaws prohibiting or restricting the use of common elements by a unit owner who is delinquent in paying assessments if (1) the council of unit owners has recorded a statement of condominium lien on the unit of the delinquent owner and (2) the delinquent owner is not on a payment plan, is delinquent on a payment plan, or has defaulted on a previous payment plan. The bill requires an affirmative vote of unit owners having at least 51% of the votes in the council in order to adopt or repeal a provision in the bylaws prohibiting or restricting the use of common elements by delinquent owners. The bill also makes other technical and conforming changes.

Fiscal Summary

State Effect: The bill is not anticipated to materially impact State finances or operations.

Local Effect: The bill is not anticipated to impact local government finances or operations.

Small Business Effect: Minimal.

Analysis

Current Law/Background: The Secretary of State advises that, in 2016, there were 2,859 condominium regimes in the State, and State Department of Assessments and Taxation reports that there were 222,664 condominium units.

Bylaws of a Condominium

The administration of every condominium is governed by bylaws which must be recorded with the declaration establishing the condominium. The bylaws may contain provisions related to the management and operation of the condominium, including any restriction on the use and maintenance of the units and common elements. The bylaws of a condominium may also prohibit any unit owner from voting at a meeting of the council of unit owners if the council of unit owners has recorded a statement of condominium lien on the unit of the delinquent owner, and the amount necessary to release the lien has not been paid at the time of the meeting.

Amendments to Bylaws

Unless a higher percentage is required in the bylaws, the bylaws may be amended by the affirmative vote of unit owners having at least two-thirds of the votes in the council of unit owners. The bylaws may be amended to require all unit owners to maintain condominium unit owner insurance policies on their units by the affirmative vote of 51% of the votes in the council of unit owners.

Powers of a Council of Unit Owners

Generally, subject to specified restrictions, the council of unit owners has numerous powers including the authority to:

- regulate the use, maintenance, repair, replacement, and modification of common elements;
- cause additional improvements to be made as a part of the general common elements;
- impose and receive payments, fees, or charges (generally referred to as “assessments”) for the use, rental, or operation of the common elements;
- impose charges for late payment of assessments and, after notice and an opportunity to be heard, assess fines for violations of the declaration, bylaws, and rules and regulations; and
- enforce the provisions of applicable laws, the declaration, bylaws, and rules and regulations of the council of unit owners against any unit owner or occupant.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Secretary of State; Judiciary (Administrative Office of the Courts); State Department of Assessments and Taxation; Department of Legislative Services

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mm/kdm

Analysis by: Nathan W. McCurdy

Direct Inquiries to:
(410) 946-5510
(301) 970-5510