

HOUSE BILL 1437

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7lr2666

By: **Delegates Proctor, Angel, Atterbeary, D. Barnes, Barron, Chang, Clark, Conaway, Dumais, Frush, Haynes, C. Howard, Jackson, Jameson, Kittleman, Krimm, Moon, Mosby, Patterson, Queen, Sanchez, Sophocleus, Valentino-Smith, Vallario, and C. Wilson**

Introduced and read first time: February 10, 2017

Assigned to: Environment and Transportation

A BILL ENTITLED

1 AN ACT concerning

2 **Foreclosed and Vacant Residential Property – Common Ownership**
3 **Communities – Payment of Regular Assessments**

4 FOR the purpose of requiring, with regard to a residential property in a common ownership
5 community that is in foreclosure and vacant, the secured party that files the action
6 to foreclose a mortgage or deed of trust on the residential property to pay certain
7 regular assessments for a certain period of time under certain circumstances;
8 making a secured party that fails to pay regular assessments under certain
9 circumstances subject to a certain fine; defining certain terms; and generally relating
10 to the payment of regular assessments on foreclosed and vacant residential property
11 in common ownership communities.

12 BY repealing and reenacting, without amendments,
13 Article – Real Property
14 Section 7–105.1(a)(12)
15 Annotated Code of Maryland
16 (2015 Replacement Volume and 2016 Supplement)

17 BY adding to
18 Article – Real Property
19 Section 7–114
20 Annotated Code of Maryland
21 (2015 Replacement Volume and 2016 Supplement)

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

24 **Article – Real Property**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 7-105.1.

2 (a) (12) "Residential property" means real property improved by four or fewer
3 single family dwelling units that are designed principally and are intended for human
4 habitation.

5 7-114.

6 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS
7 INDICATED.

8 (2) "COMMON OWNERSHIP COMMUNITY" MEANS:

9 (I) A CONDOMINIUM, AS DEFINED IN § 11-101 OF THIS
10 ARTICLE, THAT IS USED ONLY FOR RESIDENTIAL PURPOSES;

11 (II) A COOPERATIVE HOUSING CORPORATION, AS DEFINED IN §
12 5-6B-01 OF THE CORPORATIONS AND ASSOCIATIONS ARTICLE; OR

13 (III) A HOMEOWNERS ASSOCIATION, AS DEFINED IN § 11B-101
14 OF THIS ARTICLE.

15 (3) "RESIDENTIAL PROPERTY" HAS THE MEANING STATED IN §
16 7-105.1 OF THIS SUBTITLE.

17 (4) "VACANT" MEANS PROPERTY THAT IS:

18 (I) ABANDONED BY ALL LAWFUL RESIDENTS;

19 (II) NEGLECTED BY THE OWNER OR PROPERTY MANAGER OF
20 THE RESIDENTIAL PROPERTY WITH REGARD TO THE FUNDAMENTAL DUTIES OF
21 PROPERTY OWNERSHIP; AND

22 (III) POSING A THREAT TO PUBLIC SAFETY.

23 (B) IF A RESIDENTIAL PROPERTY IN A COMMON OWNERSHIP COMMUNITY IS
24 IN FORECLOSURE AND VACANT, THE SECURED PARTY THAT FILED THE ACTION TO
25 FORECLOSE THE MORTGAGE OR DEED OF TRUST ON THE RESIDENTIAL PROPERTY
26 SHALL PAY TO THE GOVERNING BODY OF THE COMMON OWNERSHIP COMMUNITY IN
27 WHICH THE RESIDENTIAL PROPERTY IS LOCATED THE REGULAR ASSESSMENTS FOR
28 COMMON EXPENSES THAT ARE LEVIED IN ACCORDANCE WITH THE REQUIREMENTS
29 OF THE GOVERNING DOCUMENTS OF THE COMMON OWNERSHIP COMMUNITY:

1 **(1) STARTING 30 DAYS AFTER THE ACTION TO FORECLOSE WAS**
2 **FILED; AND**

3 **(2) UNTIL THE TITLE TO THE RESIDENTIAL PROPERTY IS RECORDED**
4 **BY THE NEW OWNER AFTER THE FORECLOSURE SALE.**

5 **(C) A SECURED PARTY THAT FAILS TO PAY THE REGULAR ASSESSMENTS AS**
6 **REQUIRED UNDER THIS SECTION IS SUBJECT TO A FINE OF \$500 PER MONTH OF**
7 **NONPAYMENT, PAYABLE TO THE GOVERNING BODY OF THE COMMON OWNERSHIP**
8 **COMMUNITY IN WHICH THE RESIDENTIAL PROPERTY IS LOCATED.**

9 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
10 October 1, 2017.