

HOUSE BILL 1194

N1

2lr2876

By: **Delegates Saab and Chisholm**

Introduced and read first time: February 11, 2022

Assigned to: Environment and Transportation

A BILL ENTITLED

1 AN ACT concerning

2 **Condominiums – Assessment Late Fees and Liens – Notice and Timing**

3 FOR the purpose of requiring the council of unit owners of a condominium to provide certain
4 notice to a unit owner before the imposition of a lien on a condominium unit;
5 increasing the number of days an assessment or installment may be delinquent
6 before a late fee may be imposed or before a council of unit owners may demand
7 payment of the remaining annual assessment coming due within that fiscal year;
8 and generally relating to condominium assessment late fees and liens.

9 BY repealing and reenacting, without amendments,
10 Article – Real Property
11 Section 11–110(c)
12 Annotated Code of Maryland
13 (2015 Replacement Volume and 2021 Supplement)

14 BY repealing and reenacting, with amendments,
15 Article – Real Property
16 Section 11–110(d) and (e)
17 Annotated Code of Maryland
18 (2015 Replacement Volume and 2021 Supplement)

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

21 **Article – Real Property**

22 11–110.

23 (c) A unit owner shall be liable for all assessments, or installments thereof,
24 coming due while he is the owner of a unit. In a voluntary grant the grantee shall be jointly
25 and severally liable with the grantor for all unpaid assessments against the grantor for his

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 share of the common expenses up to the time of the voluntary grant for which a statement
2 of lien is recorded, without prejudice to the rights of the grantee to recover from the grantor
3 the amounts paid by the grantee for such assessments. Liability for assessments may not
4 be avoided by waiver of the use or enjoyment of any common element or by abandonment
5 of the unit for which the assessments are made.

6 (d) (1) [Payment] **SUBJECT TO PARAGRAPH (3) OF THIS SUBSECTION,**
7 **PAYMENT** of assessments, together with interest, late charges, if any, costs of collection,
8 and reasonable attorney's fees may be enforced by the imposition of a lien on a unit in
9 accordance with the provisions of the Maryland Contract Lien Act.

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

14 **(3) (I) NOTWITHSTANDING ANY PROVISION IN THE DECLARATION**
15 **OR BYLAWS OF A CONDOMINIUM, THE COUNCIL OF UNIT OWNERS SHALL PROVIDE**
16 **NOTICE TO A UNIT OWNER AT LEAST 30 DAYS BEFORE TAKING ACTION TO ENFORCE**
17 **PAYMENT OF AN ASSESSMENT, INTEREST, LATE CHARGES, IF ANY, COSTS OF**
18 **COLLECTION, AND REASONABLE ATTORNEY'S FEES UNDER PARAGRAPH (1) OF THIS**
19 **SUBSECTION.**

20 **(II) THE NOTICE SHALL INCLUDE:**

21 1. **A STATEMENT OF THE FEES OWED BY THE UNIT**
22 **OWNER;**

23 2. **CONTACT INFORMATION FOR THE REPRESENTATIVE**
24 **OF THE COUNCIL OF UNIT OWNERS RESPONSIBLE FOR MANAGING THE CLAIM FOR**
25 **THE FEES OWED BY THE UNIT OWNER; AND**

26 3. **A STATEMENT THAT PAYMENT SHALL BE ENFORCED**
27 **UNDER THE PROVISIONS OF THE MARYLAND CONTRACT LIEN ACT.**

28 **(III) THE NOTICE SHALL BE DELIVERED:**

29 1. **BY FIRST-CLASS MAIL, CERTIFICATE OF MAILING;**
30 **AND**

31 2. **BY POSTING ON THE DOOR OF THE UNIT.**

32 (e) (1) Any assessment, or installment thereof, not paid when due shall bear
33 interest, at the option of the council of unit owners, from the date when due until paid at
34 the rate provided in the bylaws, not exceeding 18 percent per annum, and if no rate is

1 provided, then at 18 percent per annum.

2 (2) The bylaws also may provide for a late charge of \$15 or one tenth of the
3 total amount of any delinquent assessment or installment, whichever is greater, provided
4 the charge may not be imposed more than once for the same delinquent payment and may
5 only be imposed if the delinquency has continued for at least ~~[15]~~ **30** calendar days.

6 (3) If the declaration or bylaws provide for an annual assessment payable
7 in regular installments, the declaration or bylaws may further provide that if a unit owner
8 fails to pay an installment when due, the council of unit owners may demand payment of
9 the remaining annual assessment coming due within that fiscal year. A demand by the
10 council is not enforceable unless the council, within ~~[15]~~ **30** days of a unit owner's failure
11 to pay an installment, notifies the unit owner that if the unit owner fails to pay the monthly
12 installment within ~~[15]~~ **30** days of the notice, full payment of the remaining annual
13 assessment will then be due and shall constitute a lien on the unit as provided in this
14 section.

15 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
16 October 1, 2022.