

HOUSE BILL 1369

N1

7lr2908
CF SB 809

By: **Delegates Proctor, Angel, Atterbeary, Barron, Chang, Clark, Conaway, Dumais, Frush, Haynes, C. Howard, Jackson, Moon, Pena-Melnyk, Queen, Sanchez, Sophocleus, Vallario, and C. Wilson**

Introduced and read first time: February 10, 2017

Assigned to: Environment and Transportation

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 31, 2017

CHAPTER _____

1 AN ACT concerning

2 **Condominiums and Homeowners Associations – Sales of Common Elements and**
3 **Common Areas**

4 FOR the purpose of requiring the governing body of a condominium or, under certain
5 circumstances, the developer to provide a certain notice before the sale of any
6 common element ~~in the condominium~~ under certain circumstances; requiring the
7 governing body of a homeowners association or, under certain circumstances, the
8 declarant to provide a certain notice before the sale of any common area ~~owned by~~
9 ~~the homeowners association; requiring that when a tax lien is imposed on certain~~
10 ~~properties, the governing body imposing the lien must provide certain notice,~~
11 ~~defining certain terms~~ under certain circumstances; and generally relating to the
12 sale of common elements in condominiums and common areas ~~owned by in~~
13 homeowners associations.

14 BY repealing and reenacting, without amendments,
15 Article – Real Property
16 Section 11–108(a)
17 Annotated Code of Maryland
18 (2015 Replacement Volume and 2016 Supplement)

19 BY adding to
20 Article – Real Property
21 Section 11–108(d) and 11B–106.2

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 Annotated Code of Maryland
2 (2015 Replacement Volume and 2016 Supplement)

3 ~~BY repealing and reenacting, with amendments,~~
4 ~~Article Tax Property~~
5 ~~Section 14-804~~
6 ~~Annotated Code of Maryland~~
7 ~~(2012 Replacement Volume and 2016 Supplement)~~

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

10 **Article – Real Property**

11 11–108.

12 (a) Subject to the provisions of subsection (c) of this section, the common elements
13 may be used only for the purposes for which they were intended and, except as provided in
14 the declaration, the common elements shall be subject to mutual rights of support, access,
15 use, and enjoyment by all unit owners. However, subject to the provisions of subsection (b)
16 of this section, any portion of the common elements designated as limited common elements
17 shall be used only by the unit owner of the unit to which their use is limited in the
18 declaration or condominium plat.

19 (D) (1) NOTWITHSTANDING ANY BYLAW, PROVISION OF A CONDOMINIUM
20 PLAT, RULE, OR OTHER PROVISION OF LAW, THE GOVERNING BODY OF A COUNTY
21 CONDOMINIUM OR, IF CONTROL OF THE GOVERNING BODY HAS NOT YET
22 TRANSITIONED TO THE UNIT OWNERS, THE DEVELOPER SHALL GIVE NOTICE TO
23 EACH UNIT OWNER, IN WRITING, IN ACCORDANCE WITH PARAGRAPH (2) OF THIS
24 SUBSECTION NO LESS THAN 30 DAYS BEFORE THE SALE, INCLUDING A TAX SALE, OF
25 ANY COMMON ELEMENT IN LOCATED ON PROPERTY THAT HAS BEEN TRANSFERRED
26 TO THE CONDOMINIUM.

27 (2) THE NOTICE REQUIREMENT UNDER PARAGRAPH (1) OF THIS
28 SUBSECTION SHALL BE SATISFIED BY:

29 (I) PROVIDING WRITTEN NOTICE ABOUT THE SALE TO EACH
30 UNIT OWNER; OR

31 (II) 1. POSTING A SIGN ABOUT THE SALE ON THE PROPERTY
32 TO BE SOLD, IN A MANNER SIMILAR TO SIGNAGE REQUIRED FOR A ZONING
33 MODIFICATION; AND

1 2. IF THE CONDOMINIUM HAS A WEB SITE, PROVIDING
 2 NOTICE ABOUT THE SALE ON THE HOME PAGE OF THE WEB SITE OF THE
 3 CONDOMINIUM.

4 **11B-106.2.**

5 (A) NOTWITHSTANDING ANY BYLAW, PROVISION OF A DECLARATION, RULE,
 6 OR OTHER PROVISION OF LAW, THE GOVERNING BODY OF A COUNTY HOMEOWNERS
 7 ASSOCIATION OR, IF CONTROL OF THE GOVERNING BODY HAS NOT YET
 8 TRANSITIONED TO THE LOT OWNERS, THE DECLARANT SHALL GIVE NOTICE TO EACH
 9 LOT OWNER, IN WRITING, IN ACCORDANCE WITH SUBSECTION (B) OF THIS SECTION
 10 NO LESS THAN 30 DAYS BEFORE THE SALE, INCLUDING A TAX SALE, OF ANY COMMON
 11 AREA OWNED BY LOCATED ON PROPERTY THAT HAS BEEN TRANSFERRED TO THE
 12 HOMEOWNERS ASSOCIATION.

13 (B) THE NOTICE REQUIREMENT UNDER SUBSECTION (A) OF THIS SECTION
 14 SHALL BE SATISFIED BY:

15 (1) PROVIDING WRITTEN NOTICE ABOUT THE SALE TO EACH LOT
 16 OWNER; OR

17 (2) (I) POSTING A SIGN ABOUT THE SALE ON THE PROPERTY TO BE
 18 SOLD, IN A MANNER SIMILAR TO SIGNAGE REQUIRED FOR A ZONING MODIFICATION;
 19 AND

20 (II) IF THE HOMEOWNERS ASSOCIATION HAS A WEB SITE,
 21 PROVIDING NOTICE ABOUT THE SALE ON THE HOME PAGE OF THE WEB SITE OF THE
 22 HOMEOWNERS ASSOCIATION.

23 ~~Article Tax Property~~

24 ~~14-804~~

25 ~~(a) All unpaid taxes on real property shall be, until paid, liens on the real property~~
 26 ~~in respect to which they are imposed from the date they became or become payable.~~

27 ~~(b) All unpaid tax on personal property is a lien on the personal property and on~~
 28 ~~the real property of the owner of the personal property in the same manner in which taxes~~
 29 ~~on real property are now liens on the real property with respect to which they are imposed~~
 30 ~~in all subdivisions of the State; provided that the lien will attach to the real property only~~
 31 ~~after the notice has been recorded and indexed among the judgment records in the office of~~
 32 ~~the clerk of the circuit court in the county where the land lies, or is recorded and indexed~~
 33 ~~on the tax rolls of the subdivision. Any subdivision, in lieu of recording in the appropriate~~
 34 ~~court, may use a lien reporting system, and any subdivision so doing shall provide, on~~
 35 ~~request, a lien report or memorandum with respect to any particular person.~~

1 ~~(e) The county property tax deferred under § 10-201 of this article is a lien on the~~
2 ~~property for which the deferral was granted.~~

3 ~~(d) The unpaid balance of a deferral granted under § 10-202 of this article is a~~
4 ~~lien on the property for which the deferral was granted.~~

5 ~~(E) (1) (I) IN THIS SUBSECTION, THE FOLLOWING WORDS HAVE THE~~
6 ~~MEANINGS INDICATED.~~

7 ~~(II) "COMMON ELEMENT" HAS THE MEANING STATED IN §~~
8 ~~11-101 OF THE REAL PROPERTY ARTICLE.~~

9 ~~(III) "COMMON AREA" HAS THE MEANING STATED IN §~~
10 ~~11-101 OF THE REAL PROPERTY ARTICLE.~~

11 ~~(2) WHEN A TAX LIEN IS IMPOSED ON A COMMON ELEMENT OF A~~
12 ~~CONDOMINIUM OR ON A COMMON AREA OF PROPERTY OWNED BY A HOMEOWNER'S~~
13 ~~ASSOCIATION, THE GOVERNING BODY IMPOSING THE LIEN SHALL NOTIFY EACH~~
14 ~~MEMBER OF THE CONDOMINIUM ASSOCIATION OR HOMEOWNER'S ASSOCIATION.~~

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

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.