

# HOUSE BILL 631

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By: **Delegates Niemann, Barnes, Bobo, Braveboy, Cane, Frush, Gilchrist, Glenn, Healey, Holmes, Hucker, S. Robinson, Walker, and Wilson**  
Introduced and read first time: February 9, 2011  
Assigned to: Environmental Matters

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## A BILL ENTITLED

1 AN ACT concerning

2 **Condominiums and Homeowners Associations – Liability for Payment of**  
3 **Assessments – Liens**

4 FOR the purpose of providing that a grantee that obtains title to a condominium unit  
5 in a foreclosure sale is jointly and severally liable with the unit owner for a  
6 certain portion of a lien imposed for assessments due under certain  
7 circumstances; providing that a lot owner is liable for all homeowners  
8 association assessments and charges due under certain circumstances;  
9 authorizing the governing body of a homeowners association to impose a lien to  
10 enforce the payment of assessments and charges under certain circumstances;  
11 providing that a grantee that obtains title to a lot in a homeowners association  
12 in a foreclosure sale is jointly and severally liable with the lot owner for a  
13 certain portion of a lien imposed for assessments and charges due under certain  
14 circumstances; altering the scope of the Maryland Contract Lien Act; making  
15 stylistic changes; and generally relating to liens and the liability for the  
16 payment of assessments in condominiums and homeowners associations.

17 BY repealing and reenacting, with amendments,  
18 Article – Real Property  
19 Section 11–110(c) and (d) and 14–201(b)  
20 Annotated Code of Maryland  
21 (2010 Replacement Volume and 2010 Supplement)

22 BY adding to  
23 Article – Real Property  
24 Section 11B–112.3  
25 Annotated Code of Maryland  
26 (2010 Replacement Volume and 2010 Supplement)

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.  
[Brackets] indicate matter deleted from existing law.



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

3 **Article – Real Property**

4 11–110.

5 (c) (1) A unit owner shall be liable for all assessments, or installments  
6 thereof, coming due while he is the owner of a unit.

7 (2) In a voluntary grant the grantee shall be jointly and severally  
8 liable with the grantor for all unpaid assessments against the grantor for his share of  
9 the common expenses up to the time of the voluntary grant for which a statement of  
10 lien is recorded, without prejudice to the rights of the grantee to recover from the  
11 grantor the amounts paid by the grantee for such assessments.

12 (3) Liability for assessments may not be avoided by waiver of the use  
13 or enjoyment of any common element or by abandonment of the unit for which the  
14 assessments are made.

15 (d) (1) Payment of assessments, together with interest, late charges, if  
16 any, costs of collection and reasonable attorney's fees may be enforced by the  
17 imposition of a lien on a unit in accordance with the provisions of the Maryland  
18 Contract Lien Act.

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

23 (3) (I) **A GRANTEE, OTHER THAN A MORTGAGEE THAT OBTAINS**  
24 **TITLE TO A UNIT IN A FORECLOSURE SALE OR FROM A MORTGAGEE THAT**  
25 **OBTAINED TITLE IN A FORECLOSURE SALE, SHALL BE JOINTLY AND SEVERALLY**  
26 **LIABLE WITH THE UNIT OWNER AS OF THE DATE OF THE FORECLOSURE SALE**  
27 **FOR THE PORTION OF THE LIEN IMPOSED ON THE UNIT UNDER THE MARYLAND**  
28 **CONTRACT LIEN ACT IN AN AMOUNT UP TO 6 MONTHS OF REGULAR MONTHLY**  
29 **ASSESSMENTS THAT ARE DUE WITHOUT ACCELERATION AS OF THE DATE OF THE**  
30 **FORECLOSURE SALE.**

31 (II) **PAYMENT BY THE GRANTEE OF THE AMOUNT DUE**  
32 **UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH IS WITHOUT PREJUDICE TO**  
33 **THE RIGHTS OF THE GRANTEE TO RECOVER THE AMOUNT PAID FROM THE UNIT**  
34 **OWNER AS OF THE DATE OF THE FORECLOSURE SALE.**

35 **11B–112.3.**

1           (A) AS PROVIDED IN THE DECLARATION, A LOT OWNER SHALL BE  
2 LIABLE FOR ALL HOMEOWNERS ASSOCIATION ASSESSMENTS AND CHARGES  
3 THAT COME DUE WHILE THE LOT OWNER OWNS A LOT.

4           (B) IN ADDITION TO ANY OTHER REMEDY UNDER LAW, THE GOVERNING  
5 BODY OF A HOMEOWNERS ASSOCIATION MAY ENFORCE THE PAYMENT OF THE  
6 ASSESSMENTS AND CHARGES OF THE HOMEOWNERS ASSOCIATION BY THE  
7 IMPOSITION OF A LIEN ON A LOT IN ACCORDANCE WITH THE PROVISIONS OF  
8 THE MARYLAND CONTRACT LIEN ACT.

9           (C) (1) A GRANTEE, OTHER THAN A MORTGAGEE THAT OBTAINS  
10 TITLE TO A LOT IN A FORECLOSURE SALE OR FROM A MORTGAGEE THAT  
11 OBTAINED TITLE IN A FORECLOSURE SALE, SHALL BE JOINTLY AND SEVERALLY  
12 LIABLE WITH THE LOT OWNER AS OF THE DATE OF THE FORECLOSURE SALE FOR  
13 THE PORTION OF THE LIEN IMPOSED ON THE LOT UNDER THE MARYLAND  
14 CONTRACT LIEN ACT IN AN AMOUNT UP TO 6 MONTHS OF REGULAR MONTHLY  
15 ASSESSMENTS AND CHARGES THAT ARE DUE WITHOUT ACCELERATION AS OF  
16 THE DATE OF THE FORECLOSURE SALE.

17                   (2) PAYMENT BY THE GRANTEE OF THE AMOUNT DUE UNDER  
18 PARAGRAPH (1) OF THIS SUBSECTION IS WITHOUT PREJUDICE TO THE RIGHTS  
19 OF THE GRANTEE TO RECOVER THE AMOUNT PAID FROM THE LOT OWNER AS OF  
20 THE DATE OF THE FORECLOSURE SALE.

21 14-201.

22           (b) (1) "Contract" means a real covenant running with the land or a  
23 contract recorded among the land records of a county or Baltimore City.

24                   (2) "Contract" includes a declaration or bylaws recorded under the  
25 provisions of:

26                           (I) [the] THE Maryland Condominium Act;

27                           (II) THE MARYLAND HOMEOWNERS ASSOCIATION ACT; or

28                           (III) [the] THE Maryland Real Estate Time-Sharing Act.

29           SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
30 October 1, 2011.