

SENATE BILL 374

N1

9lr2851
CF HB 250

By: **Senators Washington, Guzzone, Lam, McCray, Peters, Pinsky, and Rosapepe**
Introduced and read first time: January 31, 2019
Assigned to: Judicial Proceedings

A BILL ENTITLED

1 AN ACT concerning

2 **Real Property – Maryland Condominium Act – Priority of Liens**

3 FOR the purpose of altering, in the case of a certain priority of a condominium's liens in a
4 foreclosure of a mortgage or deed of trust on a condominium unit, the maximum
5 number of months of certain unpaid regular assessments of which the
6 condominium's liens shall consist; authorizing a condominium's liens to include
7 certain costs or sums under certain circumstances; repealing a certain monetary cap
8 for a condominium's liens under certain circumstances; providing for the application
9 of this Act; and generally relating to the priority of liens for condominiums.

10 BY repealing and reenacting, without amendments,
11 Article – Real Property
12 Section 11–110(f)(2)
13 Annotated Code of Maryland
14 (2015 Replacement Volume and 2018 Supplement)

15 BY repealing and reenacting, with amendments,
16 Article – Real Property
17 Section 11–110(f)(3)
18 Annotated Code of Maryland
19 (2015 Replacement Volume and 2018 Supplement)

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

22 **Article – Real Property**

23 11–110.

24 (f) (2) In the case of a foreclosure of a mortgage or deed of trust on a unit in a
25 condominium, a portion of the condominium's liens on the unit, as prescribed in paragraph

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (3) of this subsection, shall have priority over a claim of the holder of a first mortgage or a
2 first deed of trust that is recorded against the unit on or after October 1, 2011.

3 (3) The portion of the condominium's liens that has priority under
4 paragraph (2) of this subsection:

5 (i) Shall consist solely of not more than [4] 6 months, or the
6 equivalent of [4] 6 months, of unpaid regular assessments for common expenses that are
7 levied by the condominium in accordance with the requirements of the declaration or
8 bylaws of the condominium; AND

9 (ii) May [not] include:

10 1. Interest;

11 2. Costs of collection;

12 3. Late charges;

13 4. Fines;

14 5. Attorney's fees;

15 6. Special assessments; [or] AND

16 7. Any other costs or sums due under the declaration or
17 bylaws of the condominium or as provided under any contract, law, or court order[; and

18 (iii) May not exceed a maximum of \$1,200].

19 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall be construed to
20 apply only prospectively and may not be applied or interpreted to have any effect on or
21 application to any first mortgage or first deed of trust on a condominium unit that is
22 recorded before the effective date of this Act.

23 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
24 October 1, 2019.