

## Alert

### Maryland Legislation Affecting Common Interest Communities Effective 10/1/13

September 20, 2013

The Maryland Legislature introduced the following bills during the January 2013 Session that will affect community associations throughout Maryland on October 1, 2013.

#### House Bill 286

Authorizes the governing body of a common ownership community to foreclose on a lien against a unit owner or lot owner only if the damages secured by the lien consist solely of (1) delinquent periodic or special assessments and (2) reasonable costs and attorney's fees directly related to the filing of the lien (which costs and fees cannot exceed the total amount of delinquent assessments). House Bill 286 is problematic because it precludes the possibility of a common interest community's foreclosure on any lien which seeks to recover late fees, interest, fines, and collection costs from a delinquent lot owner or unit owner. Most liens currently filed by common interest communities seek to recover late fees, interest, fines and collection costs because such collection is authorized by the governing documents.

#### House Bill 388

Amends the Maryland Condominium Act to permit a condominium Board of Directors to meet in a closed session to discuss a business transaction in negotiation. A similar right is already provided for in the Maryland Homeowners Association Act.

If you have any questions or wish to discuss the above legislation in greater detail, please contact:

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