

Governor Signs Maryland Priority Lien Bill

On May 10, 2011, Maryland Governor Martin O'Malley signed HB 1246, The Maryland Priority Lien Bill, into Maryland state law. The bill was originally passed by the Maryland Senate on April 11, 2011, after previously being passed through the House of Delegates. The bill establishes a 4-month priority ahead of lenders of up to \$1,200 for condominium and homeowner association assessments when there is a lender foreclosure. It applies to new loans obtained after October 1, 2011.

For every 1,000 foreclosures, condos and HOAs throughout Maryland will be able to recover up to \$1.2 Million of unpaid assessments. Over time, the priority lien law could provide tens of millions of dollars to Maryland associations.

Efforts to run the bill through the Maryland legislature were coordinated by the Maryland LAC. The LAC efforts were supported by CAI members throughout the state who contacted their legislators in support of the legislation.

Passage of this legislation is a major victory for community associations in Maryland and one that will pay increasing dividends in coming years.