



126th MAINE LEGISLATURE

FIRST REGULAR SESSION-2013

Legislative Document

No. 807

H.P. 558

House of Representatives, March 5, 2013

**An Act To Provide Protection to a Condominium Association When
a Condominium Is Foreclosed On**

Reference to the Committee on Labor, Commerce, Research and Economic Development suggested and ordered printed.

Millicent M. MacFarland
MILLICENT M. MacFARLAND
Clerk

Presented by Representative CROCKETT of Bethel.
Cosponsored by Senator PATRICK of Oxford.

1 **Be it enacted by the People of the State of Maine as follows:**

2 **Sec. 1. 33 MRSA §1601-103, sub-§(19-A)** is enacted to read:

3 (19-A) "Priority amounts" means the amount of the association's regular assessments
4 established under a periodic budget that would have become due during the 6-month
5 period immediately prior to initiating a lawsuit to enforce a lien under section 1603-116,
6 the expenses of heat and utilities paid by the association in order to preserve the unit
7 during the 6-month period and the association's costs and reasonable attorney's fees
8 incurred in enforcing the lien. "Priority amounts" does not include amounts attributable to
9 special assessments, late charges, fines, penalties and interest assessed by the association.

10 **Sec. 2. 33 MRSA §1603-116, sub-§(k)** is enacted to read:

11 (k) Notwithstanding subsection (b), paragraph (2), a lien under this section securing
12 priority amounts is prior to a first mortgage. The association's failure to send notice to
13 the first mortgagee either that the owner of the unit is 60 days delinquent in the payment
14 of common expenses or that the association intends to file an action to enforce the lien
15 within 30 days does not affect the priority of the lien securing the 6 months of regular
16 assessments and heat and utility components of the priority amounts, but failure to send at
17 least one notice means that the association is not entitled to receive any costs or attorney's
18 fees incurred in an action to enforce the lien. The full payment of the priority amounts
19 discharges the lien under this section.

20 **SUMMARY**

21 This bill amends the Maine Condominium Act to create a definition of "priority
22 amounts," which includes heat and utility expenses and regular condominium association
23 assessments for a 6-month period before filing a lawsuit to enforce a lien and the costs
24 and attorney's fees to enforce the lien. This bill also gives a lien based upon priority
25 amounts priority over a first mortgage and establishes that, if the association fails to send
26 the first mortgagee notice of a lien action, the association may not collect costs or
27 attorney's fees.