

1 S.172

2 Introduced by Senator Illuzzi

3 Referred to Committee on

4 Date:

5 Subject: Uniform common interest ownership act; lien for assessments; notice
6 to unit owner

7 Statement of purpose: This bill proposes the following changes to the uniform
8 common interest ownership act:

9 (1) The bill proposes to eliminate the creation of statutory liens for fines
10 imposed against a unit owner. Statutory liens would continue for unpaid
11 assessments against the unit.

12 (2) The bill proposes to require the association to notify the unit owner of a
13 lien against the unit at least 30 days prior to foreclosing on the lien, and to
14 notify the owner of the amount of unpaid assessments the owner needs to pay
15 in order to discharge the lien. Failure to provide the required notice prohibits
16 the association from filing a foreclosure action against the unit.

17 (3) The bill requires the association to discharge the lien within 30 days
18 after the unit owner pays the unpaid assessments, and to notify the unit owner
19 of the discharge within ten days. Failure to discharge the lien in a timely
20 fashion results in civil liability against the association in the amount of \$25.00
21 per day, up to a maximum of \$5,000.00 in damages.

1 An act relating to the uniform common interest ownership act

2 It is hereby enacted by the General Assembly of the State of Vermont:

3 Sec. 1. 27A V.S.A. § 3-116 is amended to read:

4 § 3-116. LIEN FOR ASSESSMENTS

5 (a) The association has a statutory lien on a unit for any assessment levied
6 against that unit ~~or fines imposed against its unit owner~~. Unless the declaration
7 otherwise provides, fees, charges, late charges, ~~fines~~ and interest charged
8 pursuant to subdivisions 3-102(a)(10), (11), and (12) of this title are
9 enforceable as assessments under this section. If an assessment is payable in
10 installments, the full amount of the assessment is a lien from the time the first
11 installment becomes due.

12 * * *

13 (i)(1) The association's lien may be foreclosed pursuant to section 4531a of
14 Title 12 in which case the association shall notify all the lienholders of the
15 affected unit of its action.

16 (2) A lien created under this section shall not be foreclosed unless the
17 association has:

18 (A) provided written notice of the lien to the unit owner not less than
19 30 days prior to filing the foreclosure complaint; and

