

H.482

Introduced by Representatives Bohi of Hartford, Clerkin of Hartford and
Mitchell of Barnard

Referred to Committee on

Date:

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

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

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

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

(3) The bill requires the association to discharge the lien within 30 days
after the unit owner pays the unpaid assessments, and to notify the unit owner
of the discharge within ten days. Failure to discharge the lien in a timely

1 fashion results in civil liability against the association in the amount of \$25.00
2 per day, up to a maximum of \$5,000.00 in damages.

3 An act relating to the uniform common interest ownership act

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

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

6 § 3-116. LIEN FOR ASSESSMENTS

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

14 * * *

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

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

1 (A) provided written notice of the lien to the unit owner not less than
2 30 days prior to filing the foreclosure complaint; and

3 (B) furnished the unit owner with a written statement of the amount
4 of unpaid assessments against the unit at least 30 days prior to the filing of the
5 foreclosure complaint.

6 (3)(A) The association shall:

7 (i) discharge the lien within 30 days after the unit owner has
8 completed payment of all unpaid assessments against the unit; and

9 (ii) provide written notice of the discharge within 10 days to the
10 unit owner.

11 (B) If the association does not discharge the lien within 30 days after
12 payment of unpaid assessments as required by subdivision (A)(i) of this
13 subdivision (3), the association shall be liable to the unit owner in a civil action
14 for damages in the amount of \$25.00 per day after the expiration of the 30
15 days, up to a maximum of \$5,000.00 in total damages.

16 * * *

17 Sec. 2. EFFECTIVE DATE

18 This act shall take effect on July 1, 2010.