

House Bill 410

By: Representatives Teasley of the 37th, Hatchett of the 150th, Powell of the 32nd, and Clark of the 98th

A BILL TO BE ENTITLED
AN ACT

1 To amend Chapter 3 of Title 44 of the Official Code of Georgia Annotated, relating to
2 regulation of specialized land transactions, so as to provide for limits on certain fees imposed
3 on purchasers of condominiums and lots in a property owners' association; to provide for fees
4 for statements of amounts owing to a property owners' association; to provide for the manner
5 of providing such statements; to provide for expedited fees; to provide for related matters;
6 to repeal conflicting laws; and for other purposes.

7 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

8 **SECTION 1.**

9 Chapter 3 of Title 44 of the Official Code of Georgia Annotated, relating to regulation of
10 specialized land transactions, is amended in Code Section 44-3-80, relating to allocation of
11 liability for common expenses with regard to condominiums and how assessments are made,
12 by adding a new subsection to read as follows:

13 "(h) No condominium instrument recorded on or after July 1, 2017, shall authorize the
14 imposition of a capital contribution, start-up fund assessment, initiation fee, or contribution
15 to capital reserve accounts, reserves for deferred maintenance, reserves for depreciation,
16 or other reserves on new purchasers of condominiums covered by such instrument in
17 excess of one-twelfth of the current annual dues or assessments for condominium owners
18 covered by such instrument."

19 **SECTION 2.**

20 Said chapter is further amended in Code Section 44-3-225, relating to assessment of
21 expenses, exemption from liability, and liability for unpaid assessments for property owners'
22 associations, by adding a new subsection to read as follows:

23 "(e) No property owners' association instrument or amendment thereto recorded on or after
24 July 1, 2017, shall authorize the imposition of a capital contribution, start-up fund
25 assessment, initiation fee, or contribution to capital reserve accounts, reserves for deferred

26 maintenance, reserves for depreciation, or other reserves on new purchasers of lots covered
 27 by such instrument in excess of one-twelfth of the current annual dues or assessments for
 28 lot owners covered by such instrument."

29 **SECTION 3.**

30 Said chapter is further amended by revising subsection (d) of Code Section 44-3-232, relating
 31 to assessments against lot owners as constituting lien in favor of association, additional
 32 charges against lot owners, procedure for foreclosing lien, and obligation to provide
 33 statement of amounts due, as follows:

34 "(d) Any lot owner, mortgagee of a lot, person having executed a contract for the purchase
 35 of a lot, or lender considering the loan of funds to be secured by a lot shall be entitled upon
 36 request to a statement from the association or its management agent setting forth the
 37 amount of ~~assessments past due and unpaid~~ all sums due and payable to the association as
 38 set forth in subsection (a) of this Code section which constitute a lien in favor of the
 39 association, together with late charges and interest applicable thereto against that lot. Such
 40 request shall be in writing or by electronic means, shall be delivered to the ~~registered office~~
 41 ~~of the~~ association, its management company, or its agent responsible for receiving and
 42 replying to such requests, and shall state an address to which the statement is to be directed.
 43 Failure on the part of the association, its management company, or its agent, within ~~five~~ ten
 44 business days from the receipt of such request, to mail or otherwise furnish such statement
 45 regarding amounts due and payable at the expiration of such ~~five-day~~ ten-day period with
 46 respect to the lot involved to such address as may be specified in the ~~written~~ request
 47 therefor shall cause the lien for assessments created by this Code section to be extinguished
 48 and of no further force or effect as to the title or interest acquired by the purchaser or
 49 lender, if any, as the case may be, and their respective successors and assigns, in the
 50 transaction contemplated in connection with such request. The information specified in
 51 such statement shall be binding upon the association and upon every lot owner. Payment
 52 of a fee not exceeding ~~\$10.00~~ \$35.00, inclusive of any administrative transfer fee or other
 53 fee charged by the association, its management company, or its agent for the purposes of
 54 preparing and delivering the statement and updating its records, may be required as a
 55 prerequisite to the issuance of such a statement ~~if the instrument so provides~~. The
 56 association, its management company, or its agent may charge an additional expedited fee,
 57 not to exceed \$15.00, if a request is made to prepare and deliver a statement within three
 58 business days of making such request. No fees other than those specified in this subsection
 59 and as limited by this subsection shall be charged by the association, its management
 60 company, or its agent to the person making the request for a statement in order to comply
 61 with the duties and responsibilities of the association under this chapter. A management

62 company or agent for the association may charge additional amounts to the association for
63 the preparation and delivery of any statement. The association, its management company,
64 and its agent shall not charge a fee for the preparation and delivery of a statement that is
65 issued more than ten business days after the association, its management company, or its
66 agent receives the request for the statement. The statement issued pursuant to this Code
67 section shall be effective for 30 days from the date of issuance."

68 **SECTION 4.**

69 All laws and parts of laws in conflict with this Act are repealed.