

The House Committee on Judiciary offers the following substitute to HB 410:

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 fees for statements of
3 amounts owing to a condominium association, property owners' association, and similar
4 associations; to provide for information required in a statement of account; to provide for the
5 manner of providing such statements; to provide for waiver of fees for preparing a statement
6 of account; to provide for adjustment of fees for preparing and delivering a statement of
7 account; to provide for expedited fees; to provide for related matters; to repeal conflicting
8 laws; and for other purposes.

9 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

10 style="text-align:center">**SECTION 1.**

11 Chapter 3 of Title 44 of the Official Code of Georgia Annotated, relating to regulation of
12 specialized land transactions, is amended by revising subsection (d) of Code
13 Section 44-3-109, relating to lien for assessments, personal obligation of unit owner, notice
14 and foreclosure, lapse, right to statement of assessments, and effect of failure to furnish
15 statement, as follows:

16 "(d)(1) Within ten business days after receiving a written or electronic request for a
17 statement of account from a unit owner or the unit owner's designee, a mortgage lender,
18 or a mortgagee of a unit or the designee of such mortgagee of a unit, the association shall
19 issue the statement of account. A request is considered received at the time it is sent if
20 transmitted by electronic means or by hand delivery, within three days if transmitted by
21 first-class mail, and upon delivery if transmitted by statutory overnight delivery. Each
22 association shall designate on its website or otherwise publish the name of a person or
23 entity with a street or email address for receipt of a request for a statement of account
24 issued pursuant to this Code section. The statement of account shall be provided by
25 e-mail, electronic download, hand delivery, regular mail, or statutory overnight delivery
26 to the requester on the date of issuance of the statement of account. Any unit owner,

~~27 mortgagee of a unit, person having executed a contract for the purchase of a~~
~~28 condominium unit, or lender considering the loan of funds to be secured by a~~
~~29 condominium unit shall be entitled upon request to a statement from the association or~~
~~30 its management agent setting forth the amount of assessments past due and unpaid~~
~~31 together with late charges and interest applicable thereto against that condominium unit.~~
~~32 Such request shall be in writing, shall be delivered to the registered office of the~~
~~33 association, and shall state an address to which the statement is to be directed. Failure~~
~~34 on the part of the association to mail or otherwise furnish such statement regarding~~
~~35 amounts due and payable at the expiration of such five-day period with respect to the~~
~~36 condominium unit involved to such address as may be specified in the written request~~
~~37 therefor within five business days from the receipt of such request shall cause the lien for~~
~~38 assessments created by this Code section to be extinguished and of no further force or~~
~~39 effect as to the title or interest acquired by the purchaser or lender, if any, as the case may~~
~~40 be, and their respective successors and assigns, in the transaction contemplated in~~
~~41 connection with such request. The information specified in such statement shall be~~
~~42 binding upon the association and upon every unit owner. Payment of a fee not exceeding~~
~~43 \$10.00 may be required as a prerequisite to the issuance of such a statement if the~~
~~44 condominium instruments so provided.~~

45 (2) A statement of account may be completed by an officer, authorized agent, or
 46 authorized representative of the association, including any authorized agent, authorized
 47 representative, or employee of a management company authorized to complete the
 48 statement of account on behalf of the board or association. The statement of account
 49 shall contain all of the following information regarding the property for which the
 50 transaction is to occur and shall be in substantially the following form:

51 (A) Date of issuance;

52 (B) Name of the unit owner or owners as reflected in the books and records of the
 53 association;

54 (C) Unit designation and address;

55 (D) Assigned parking or garage space number, as reflected in the books and records
 56 of the association, as applicable;

57 (E) Attorney's name and contact information if the account is delinquent and has been
 58 turned over to an attorney for collection. No fee may be charged for this information;

59 (F) Fee for the preparation and delivery of the statement of account;

60 (G) Name of the requester;

61 (H) Assessment information and other information:

62 (i) The amount of the regular periodic assessment levied against the unit and the
 63 frequency of payment;

- 64 (ii) The date through which the regular periodic assessment has been paid;
 65 (iii) The due date for the next installment of the regular periodic assessment and the
 66 amount due;
 67 (iv) An itemized list of all assessments, special assessments, and other moneys owed
 68 on the date of issuance to the association by the unit owner for a specific unit; and
 69 (v) An itemized list of any additional assessments, special assessments, and other
 70 moneys that are scheduled to become due for each day after the date of issuance for
 71 the effective period of the statement of account. In calculating the amounts that are
 72 scheduled to become due, the association may assume that any delinquent amounts
 73 will remain delinquent during the effective period of the statement of account; and
 74 (I) Additional information:
 75 (i) Any open violation of any rule or regulation notice to the unit owner in the
 76 association official records;
 77 (ii) A list of and contact information for all other associations of which the unit
 78 owner is a member by virtue of ownership of the unit;
 79 (iii) A copy of the current covenants and bylaws of the association and a copy of the
 80 rules and regulations adopted by the association;
 81 (iv) A copy of the association's certificate of insurance for any insurance provided
 82 by the association to the unit or the name, address, and telephone number of the
 83 association's insurance provider of any such insurance; and
 84 (v) The signature of an officer or authorized agent of the association.
 85 (3) A statement of account that is hand delivered or sent by electronic means shall have
 86 a 30 day effective period. A statement of account that is sent by regular mail or statutory
 87 overnight delivery shall have a 35 day effective period. If additional information is
 88 needed or a mistake related to the statement of account becomes known to the association
 89 or its agent within the effective period, an amended statement of account may be
 90 delivered and become effective if a sale or refinancing of the unit has not been completed
 91 during the effective period. A fee of not more than \$50.00 may be charged for an
 92 amended statement of account. An amended statement of account shall be delivered on
 93 the date of issuance and a new 30 day or 35 day effective period shall begin on such date.
 94 (4) An association waives the right to collect any moneys owed in excess of the amounts
 95 specified in the statement of account from any person who in good faith relies upon such
 96 statement of account and from the person's successors and assigns. Any person other
 97 than a unit owner who relies on a statement of account receives the benefits and
 98 protection thereof.

99 (5) Failure on the part of the association or its agent to furnish the statement of account
 100 as required within ten business days shall cause the association the forfeiture of its fee for
 101 the preparation and delivery of the statement of account.

102 (6) Failure on the part of the association or its agent to disclose the correct amount of an
 103 assessment, a special assessment, or other moneys owed to the association shall cause the
 104 loss of any obligation of a buyer to pay the undisclosed sum due, and loss of the lien right
 105 for the incorrect reported assessment, special assessment, or other money owed to the
 106 association.

107 (7) An association or its authorized agent may charge a reasonable fee for the preparation
 108 and delivery of a statement of account which shall not exceed \$250.00. If a statement of
 109 account is requested on an expedited basis and delivered within three business days after
 110 the request, the association or its agent may charge an additional fee of \$50.00."

111 **SECTION 2.**

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

116 "(d)(1) Within ten business days after receiving a written or electronic request for a
 117 statement of account from a lot owner or the lot owner's designee, a mortgage lender, or
 118 a mortgagee of a lot or the designee of such mortgagee of a lot, the association shall issue
 119 the statement of account. A request is considered received at the time it is sent if
 120 transmitted by electronic means or by hand delivery, within three days if transmitted by
 121 first-class mail, and upon delivery if transmitted by statutory overnight delivery. Each
 122 association shall designate on its website or otherwise publish the name of a person or
 123 entity with a street or email address for receipt of a request for a statement of account
 124 issued pursuant to this Code section. The statement of account shall be provided by
 125 e-mail, electronic download, hand delivery, regular mail, or statutory overnight delivery
 126 to the requester on the date of issuance of the statement of account. Any lot owner,
 127 mortgagee of a lot, person having executed a contract for the purchase of a lot, or lender
 128 considering the loan of funds to be secured by a lot shall be entitled upon request to a
 129 statement from the association or its management agent setting forth the amount of
 130 assessments past due and unpaid together with late charges and interest applicable thereto
 131 against that lot. Such request shall be in writing, shall be delivered to the registered
 132 office of the association, and shall state an address to which the statement is to be
 133 directed. Failure on the part of the association, within five business days from the receipt

134 of such request, to mail or otherwise furnish such statement regarding amounts due and
 135 payable at the expiration of such five-day period with respect to the lot involved to such
 136 address as may be specified in the written request therefor shall cause the lien for
 137 assessments created by this Code section to be extinguished and of no further force or
 138 effect as to the title or interest acquired by the purchaser or lender, if any, as the case may
 139 be, and their respective successors and assigns, in the transaction contemplated in
 140 connection with such request. The information specified in such statement shall be
 141 binding upon the association and upon every lot owner. Payment of a fee not exceeding
 142 \$10.00 may be required as a prerequisite to the issuance of such a statement if the
 143 instrument so provides.

144 (2) A statement of account may be completed by an officer, authorized agent, or
 145 authorized representative of the association, including any authorized agent, authorized
 146 representative, or employee of a management company authorized to complete the
 147 statement of account on behalf of the board or association. The statement of account
 148 shall contain all of the following information regarding the property for which the
 149 transaction is to occur and shall be in substantially the following form:

150 (A) Date of issuance;

151 (B) Name of the lot owner or owners as reflected in the books and records of the
 152 association;

153 (C) Lot designation and address;

154 (D) Assigned parking or garage space number, as reflected in the books and records
 155 of the association, as applicable;

156 (E) Attorney's name and contact information if the account is delinquent and has been
 157 turned over to an attorney for collection. No fee may be charged for this information;

158 (F) Fee for the preparation and delivery of the statement of account;

159 (G) Name of the requester;

160 (H) Assessment information and other information:

161 (i) The amount of the regular periodic assessment levied against the lot and the
 162 frequency of payment;

163 (ii) The date through which the regular periodic assessment has been paid;

164 (iii) The due date for the next installment of the regular periodic assessment and the
 165 amount due;

166 (iv) An itemized list of all assessments, special assessments, and other moneys owed
 167 on the date of issuance to the association by the lot owner for a specific lot; and

168 (v) An itemized list of any additional assessments, special assessments, and other
 169 moneys that are scheduled to become due for each day after the date of issuance for
 170 the effective period of the statement of account. In calculating the amounts that are

171 scheduled to become due, the association may assume that any delinquent amounts
172 will remain delinquent during the effective period of the statement of account; and
173 (I) Additional information:
174 (i) Any open violation of any rule or regulation notice to the lot owner in the
175 association official records;
176 (ii) A list of and contact information for all other associations of which the lot owner
177 is a member by virtue of ownership of the lot;
178 (iii) A copy of the current covenants and bylaws of the association and a copy of the
179 rules and regulations adopted by the association;
180 (iv) A copy of the association's certificate of insurance for any insurance provided
181 by the association to the lot or the name, address, and telephone number of the
182 association's insurance provided of any such insurance; and
183 (v) The signature of an officer or authorized agent of the association.
184 (3) A statement of account that is hand delivered or sent by electronic means shall have
185 a 30 day effective period. A statement of account that is sent by regular mail or statutory
186 overnight delivery shall have a 35 day effective period. If additional information is
187 needed or a mistake related to the statement of account becomes known to the association
188 or its agent within the effective period, an amended statement of account may be
189 delivered and become effective if a sale or refinancing of the lot has not been completed
190 during the effective period. A fee of not more than \$50.00 may be charged for an
191 amended statement of account. An amended statement of account shall be delivered on
192 the date of issuance and a new 30 day or 35 day effective period shall begin on such date.
193 (4) An association waives the right to collect any moneys owed in excess of the amounts
194 specified in the statement of account from any person who in good faith relies upon such
195 statement of account and from the person's successors and assigns. Any person other
196 than a lot owner who relies on a statement of account receives the benefits and protection
197 thereof.
198 (5) Failure on the part of the association or its agent to furnish the statement of account
199 as required within ten business days shall cause the association the forfeiture of its fee for
200 the preparation and delivery of the statement of account.
201 (6) Failure on the part of the association or its agent to disclose the correct amount of an
202 assessment, a special assessment, or other moneys owed to the association shall cause the
203 loss of any obligation of a buyer to pay the undisclosed sum due, and loss of the lien right
204 for the incorrect reported assessment, special assessment, or other money owed to the
205 association.
206 (7) An association or its authorized agent may charge a reasonable fee for the preparation
207 and delivery of a statement of account which shall not exceed \$250.00. If a statement of

208 account is requested on an expedited basis and delivered within three business days after
209 the request, the association or its agent may charge an additional fee of \$50.00."

210 **SECTION 3.**

211 Said chapter is further amended by adding a new Code section to Article 7, relating to
212 specialized land transactions, to read as follows:

213 "44-3-251.

214 (a) This Code section shall apply to a common interest community subject to covenants
215 restricting land to certain uses affecting planned subdivisions containing no fewer than 15
216 individual lots and requiring mandatory assessment payments to an association governing
217 such subdivision, which subdivision is not subject to Article 3 of this chapter, the 'Georgia
218 Condominium Act' or Article 6 of this chapter, the 'Georgia Property Owners' Association
219 Act.'

220 (b) Within ten business days after receiving a written or electronic request for a statement
221 of account from a lot owner or the lot owner's designee, a mortgage lender, or a mortgagee
222 of a lot or the designee of such mortgagee of a lot, the association shall issue the statement
223 of account. A request is considered received at the time it is sent if transmitted by
224 electronic means or by hand delivery, within three days if transmitted by first-class mail,
225 and upon delivery if transmitted by statutory overnight delivery. Each association shall
226 designate on its website or otherwise publish the name of a person or entity with a street
227 or email address for receipt of a request for a statement of account issued pursuant to this
228 Code section. The statement of account shall be provided by e-mail, electronic download,
229 hand delivery, regular mail, or statutory overnight delivery to the requester on the date of
230 issuance of the statement of account.

231 (c) A statement of account may be completed by an officer, authorized agent, or authorized
232 representative of the association, including any authorized agent, authorized representative,
233 or employee of a management company authorized to complete the statement of account
234 on behalf of the board or association. The statement of account shall contain all of the
235 following information regarding the property for which the transaction is to occur and shall
236 be in substantially the following form:

237 (1) Date of issuance;

238 (2) Name of the lot owner or owners as reflected in the books and records of the
239 association;

240 (3) Lot designation or address;

241 (4) Assigned parking or garage space number, as reflected in the books and records of
242 the association, as applicable;

- 243 (5) Attorney's name and contact information if the account is delinquent and has been
 244 turned over to an attorney for collection. No fee may be charged for this information;
 245 (6) Fee for the preparation and delivery of the statement of account;
 246 (7) Name of the requester;
 247 (8) Assessment information and other information:
 248 (A) The amount of the regular periodic assessment levied against the lot and the
 249 frequency of payment;
 250 (B) The date through which the regular periodic assessment has been paid;
 251 (C) The due date for the next installment of the regular periodic assessment and the
 252 amount due;
 253 (D) An itemized list of all assessments, special assessments, and other moneys owed
 254 on the date of issuance to the association by the lot owner for a specific lot; and
 255 (E) An itemized list of any additional assessments, special assessments, and other
 256 moneys that are scheduled to become due for each day after the date of issuance for the
 257 effective period of the statement of account. In calculating the amounts that are
 258 scheduled to become due, the association may assume that any delinquent amounts will
 259 remain delinquent during the effective period of the statement of account; and
 260 (9) Additional information:
 261 (A) Any open violation of any rule or regulation notice to the lot owner in the
 262 association official records;
 263 (B) A list of and contact information for all other associations of which the lot owner
 264 is a member by virtue of ownership of the lot;
 265 (C) A copy of the current covenants and bylaws of the association and a copy of rules
 266 and regulations adopted by the association;
 267 (D) A copy of the association's certificate of insurance for any insurance provided by
 268 the association to the lot or the name, address, and telephone number of the
 269 association's insurance provider of any such insurance; and
 270 (E) The signature of an officer or authorized agent of the association.
 271 (d) A statement of account that is hand delivered or sent by electronic means shall have
 272 a 30 day effective period. A statement of account that is sent by regular mail or statutory
 273 overnight delivery shall have a 35 day effective period. If additional information is needed
 274 or a mistake related to the statement of account becomes known to the association or its
 275 agent within the effective period, an amended statement of account may be delivered and
 276 become effective if a sale or refinancing of the lot has not been completed during the
 277 effective period. A fee of not more than \$50.00 may be charged for an amended statement
 278 of account. An amended statement of account shall be delivered on the date of issuance
 279 and a new 30 day or 35 day effective period shall begin on such date.

280 (e) An association waives the right to collect any moneys owed in excess of the amounts
281 specified in the statement of account from any person who in good faith relies upon such
282 statement of account and from the person's successors and assigns. Any person other than
283 a lot owner who relies on a statement of account receives the benefits and protection
284 thereof.

285 (f) Failure on the part of the association or its agent to furnish the statement of account as
286 required within ten business days shall cause the association the forfeiture of its fee for the
287 preparation and delivery of the statement of account.

288 (g) Failure on the part of the association or its agent to disclose the correct amount of an
289 assessment, a special assessment, or other moneys owed to the association shall cause the
290 loss of any obligation of a buyer to pay the undisclosed sum due, and loss of the lien right
291 for the incorrect reported assessment, special assessment, or other money owed to the
292 association.

293 (h) An association or its authorized agent may charge a reasonable fee for the preparation
294 and delivery of a statement of account which shall not exceed \$250.00. If a statement of
295 account is requested on an expedited basis and delivered within three business days after
296 the request, the association or its agent may charge an additional fee of \$50.00."

297 **SECTION 4.**

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