

Senate Bill 108

By: Senators James of the 28th, Jones II of the 22nd, Rahman of the 5th, Kemp of the 38th, Harbison of the 15th and others

A BILL TO BE ENTITLED
AN ACT

1 To amend Article 6 of Chapter 3 of Title 44 of the Official Code of Georgia Annotated,
2 relating to property owners' associations, so as to provide for certificates of good standing
3 for payment of annual assessments; to require associations to offer to participate in
4 alternative dispute resolution prior to the effectuation of a lien on a lot for unpaid
5 assessments; to provide that such a lien shall be inferior to liens for unpaid medical bills; to
6 provide for alternative dispute resolution policies and requirements therefor; to provide for
7 a definition; to provide for related matters; to provide for applicability; to repeal conflicting
8 laws; and for other purposes.

9 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

10 **SECTION 1.**

11 Article 6 of Chapter 3 of Title 44 of the Official Code of Georgia Annotated, relating to
12 property owners' associations, is amended by adding a new subsection to Code Section
13 44-3-225, relating to assessment of expenses, exemption from liability, and liability for
14 unpaid assessments, to read as follows:

15 "(e) For each lot for which all assessments and other amounts due to the association have
16 been paid in full, the association or its authorized agent shall provide the lot owner a

17 certificate stating that such lot is in good standing within 45 days of the end of each fiscal
 18 year and without cost to the lot owner."

19 **SECTION 2.**

20 Said article is further amended by revising subsection (a) of Code Section 44-3-232, relating
 21 to assessments against lot owners as constituting lien in favor of association, additional
 22 charges against lot owners, procedure for foreclosing lien, and obligation to provide
 23 statement of amounts due, as follows:

24 "(a)(1) All sums lawfully assessed by the association against any lot owner or property
 25 owners' association lot, whether for the share of the common expenses pertaining to that
 26 lot, fines, or otherwise, and all reasonable charges made to any lot owner or lot for
 27 materials furnished or services rendered by the association at the owner's request to or on
 28 behalf of the lot owner or lot, shall, from the time the sums became due and payable, be
 29 the personal obligation of the lot owner, and shall, from the time the association
 30 completes its requirements pursuant to Code Section 44-3-232.2, constitute a lien in favor
 31 of the association on the lot prior and superior to all other liens whatsoever except:

32 ~~(1)(A)~~ Liens for ad valorem taxes on the lot;

33 ~~(2)(B)~~ The lien of any first priority mortgage covering the lot and the lien of any
 34 mortgage recorded prior to the recording of the declaration; ~~or~~

35 ~~(3)(C)~~ The lien of any secondary purchase money mortgage covering the lot, provided
 36 that neither the grantee nor any successor grantee on the mortgage is the seller of the
 37 lot; and

38 (D) Liens on the lot for unpaid medical bills.

39 (2) The recording of the declaration pursuant to this article shall constitute record notice
 40 of the existence of the lien provided for in paragraph (1) of this subsection, and no further
 41 recordation of any claim of lien for assessments shall be required."

SECTION 3.

42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60
61
62
63
64
65
66
67

Said article is further amended by adding a new Code section to read as follows:

"44-3-232.2.

(a) As used in this Code section, the term 'alternative dispute resolution' means mediation, arbitration, conciliation, or other nonjudicial procedure that involves a neutral party in the decision-making process.

(b)(1) An association shall adopt a written policy providing for a fair, reasonable, and expeditious alternative dispute resolution procedure for resolving any dispute regarding sums assessed by the association.

(2) The association shall provide a copy of such policy to each lot owner annually and shall make a copy of such policy available to a lot owner upon request.

(c) In developing an alternative dispute resolution procedure pursuant to this Code section, an association shall make maximum reasonable use of available local dispute resolution programs involving a neutral third party, including low-cost mediation programs.

(d) A fair, reasonable, and expeditious alternative dispute resolution procedure shall, at a minimum, satisfy all of the following requirements:

(1) The procedure may be invoked by a lot owner. A request invoking the procedure shall be in writing;

(2) The procedure shall provide for prompt deadlines. The procedure shall state the maximum time for the association to act on a request invoking the procedure;

(3) If the procedure is invoked by a lot owner, the association shall participate in the procedure; and

(4) A lot owner shall not be charged a fee to participate.

(e) The lien for unpaid assessments or other charges as provided for in Code Section 44-3-225 shall not be created unless the association offers the lot owner participation in alternative dispute resolution in accordance with this Code section, and, if

68 so requested by the lot owner, the association participates in such alternative dispute
69 resolution."

70 **SECTION 4.**

71 This Act shall not apply to contracts entered into prior to July 1, 2025, before the expiration
72 or first renewal of such contract.

73 **SECTION 5.**

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