

House Bill 512

By: Representatives Lewis-Ward of the 115<sup>th</sup>, Hugley of the 141<sup>st</sup>, Washburn of the 144<sup>th</sup>,  
Powell of the 33<sup>rd</sup>, Campbell of the 35<sup>th</sup>, and others

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 revise provisions related to property  
3 owners' associations; to require such associations to provide annual certificates of good  
4 standing for the payment of assessments and other charges; to require such associations to  
5 offer participation in alternative dispute resolution prior to the creation of a lien for unpaid  
6 assessments and other charges; to provide for the issuance of statements of accounts; to  
7 provide for information required in and the manner of requesting and providing such  
8 statements; to provide for the effect of failure to furnish such statements as required; to  
9 provide for alternative dispute resolution policies and requirements therefor; to provide for  
10 definitions; to amend Code Section 44-14-15 of the Official Code of Georgia Annotated,  
11 relating to fee for a future conveyance and limited circumstances relative to property, so as  
12 to provide for a cross-reference; to provide for related matters; to provide for applicability;  
13 to repeal conflicting laws; and for other purposes.

14 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

H. B. 512

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15 **SECTION 1.**

16 Chapter 3 of Title 44 of the Official Code of Georgia Annotated, relating to regulation of  
 17 specialized land transactions, is amended by revising subsection (c) of Code Section  
 18 44-3-225, relating to assessment of expenses, exemption from liability, and liability for  
 19 unpaid assessments, and by adding a new subsection to read as follows:

20 "(c) Unless otherwise provided in the instrument and except as provided in subsection (d)  
 21 of this Code section, the grantee in a conveyance of a lot shall be jointly and severally  
 22 liable with the grantor thereof for all unpaid assessments against the latter up to the time  
 23 of the conveyance without prejudice to the grantee's right to recover from the grantor the  
 24 amounts paid by the grantee; provided, however, that, if the grantor or grantee shall request  
 25 a statement of account from the association as provided in ~~subsection (d) of Code Section~~  
 26 ~~44-3-232~~ 44-3-236, such grantee and his or her successors, ~~successors-in-title~~ successors  
 27 in title, and assigns shall not be liable for nor shall the property owners' association lot  
 28 conveyed be subject to a lien for any unpaid assessments against such grantor in excess of  
 29 any amount set forth in the statement."

30 "(e) For each lot for which all assessments and other amounts due to the association have  
 31 been paid in full, the association or its authorized agent shall provide the lot owner a  
 32 certificate stating that such lot is in good standing within 45 days of the end of each fiscal  
 33 year and without cost to the lot owner."

34 **SECTION 2.**

35 Said chapter is further amended by revising subsections (a), (d), and (e) of Code Section  
 36 44-3-232, relating to assessments against lot owners as constituting lien in favor of  
 37 association, additional charges against lot owners, procedure for foreclosing lien, and  
 38 obligation to provide statement of amounts due, as follows:

39 "(a)(1) All sums lawfully assessed by the association against any lot owner or property  
 40 owners' association lot, whether for the share of the common expenses pertaining to that

41 lot, fines, or otherwise, and all reasonable charges made to any lot owner or lot for  
 42 materials furnished or services rendered by the association at the owner's request to or on  
 43 behalf of the lot owner or lot, shall, from the time the sums became due and payable, be  
 44 the personal obligation of the lot owner, and shall, from the time the association  
 45 completes its requirements pursuant to Code Section 44-3-237, constitute a lien in favor  
 46 of the association on the lot prior and superior to all other liens whatsoever except:

47 ~~(1)~~(A) Liens for ad valorem taxes on the lot;  
 48 ~~(2)~~(B) The lien of any first priority mortgage covering the lot and the lien of any  
 49 mortgage recorded prior to the recording of the declaration; or  
 50 ~~(3)~~(C) The lien of any secondary purchase money mortgage covering the lot, provided  
 51 that neither the grantee nor any successor grantee on the mortgage is the seller of the  
 52 lot.

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

56 ~~"(d) Any lot owner, mortgagee of a lot, person having executed a contract for the purchase~~  
 57 ~~of a lot, or lender considering the loan of funds to be secured by a lot shall be entitled upon~~  
 58 ~~request to a statement from the association or its management agent setting forth the~~  
 59 ~~amount of assessments past due and unpaid together with late charges and interest~~  
 60 ~~applicable thereto against that lot. Such request shall be in writing, shall be delivered to~~  
 61 ~~the registered office of the association, and shall state an address to which the statement is~~  
 62 ~~to be directed. Failure on the part of the association, within five business days from the~~  
 63 ~~receipt of such request, to mail or otherwise furnish such statement regarding amounts due~~  
 64 ~~and payable at the expiration of such five-day period with respect to the lot involved to~~  
 65 ~~such address as may be specified in the written request therefor shall cause the lien for~~  
 66 ~~assessments created by this Code section to be extinguished and of no further force or~~  
 67 ~~effect as to the title or interest acquired by the purchaser or lender, if any, as the case may~~

68 ~~be, and their respective successors and assigns, in the transaction contemplated in~~  
69 ~~connection with such request. The information specified in such statement shall be binding~~  
70 ~~upon the association and upon every lot owner. Payment of a fee not exceeding \$10.00~~  
71 ~~may be required as a prerequisite to the issuance of such a statement if the instrument so~~  
72 ~~provides.~~

73 (e) Nothing in this Code section shall be construed to prohibit actions maintainable  
74 pursuant to Code Section 44-3-223 to recover sums for which subsection (a) of this Code  
75 section creates a lien."

76 **SECTION 3.**

77 Said chapter is further amended by adding new Code sections to read as follows:

78 "44-3-236.

79 (a) Within ten business days after receiving a written or electronic request for a statement  
80 of account from a lot owner or the lot owner's designee, a mortgage lender, or a mortgagee  
81 of a lot or the designee of such mortgagee of a lot, the association shall issue a statement  
82 of account as provided for in this Code section. A request for a statement of account shall  
83 be considered received at the time it is sent if transmitted by electronic means or by hand  
84 delivery, within three days if transmitted by first-class mail, and upon delivery if  
85 transmitted by statutory overnight delivery.

86 (b) Each association shall designate on its public website or otherwise publish the name  
87 of a person or entity with a street or email address for receipt of a request for a statement  
88 of account. A statement of account may be prepared and issued by an officer, authorized  
89 agent, or authorized representative of the association, including any authorized agent,  
90 authorized representative, or employee of a management company authorized to complete  
91 the statement of account on behalf of the board or association. The statement of account  
92 shall be provided by email, electronic download, hand delivery, first-class mail, or statutory  
93 overnight delivery to the requester on the date of its issuance.

- 94 (c) A statement of account as provided for in this Code section shall contain all of the  
95 following information regarding the property for which the transaction is to occur:
- 96 (1) Date of issuance;  
97 (2) Name of the lot owner or owners as reflected in the books and records of the  
98 association;  
99 (3) Lot designation and address;  
100 (4) Assigned parking or garage space number, as reflected in the books and records of  
101 the association, as applicable;  
102 (5) Attorney's name and contact information if the account is delinquent and has been  
103 turned over to an attorney for collection;  
104 (6) Name of the requester;  
105 (7) Assessment information and other information:  
106 (A) The amount of the regular periodic assessment levied against the lot and the  
107 frequency of such assessment;  
108 (B) The date through which the regular periodic assessments have been paid;  
109 (C) The due date for the next installment of the regular periodic assessment and the  
110 amount due;  
111 (D) An itemized list of all assessments, special assessments, and other moneys owed  
112 to the association for the lot as of the date of issuance of the statement of account; and  
113 (E) An itemized list of any additional assessments, special assessments, and other  
114 moneys that are scheduled to become due for each day after the date of issuance for the  
115 effective period of the statement of account. In calculating the amounts that are  
116 scheduled to become due, the association may assume that any delinquent amounts will  
117 remain delinquent during the effective period of the statement of account; and  
118 (8) Additional information:  
119 (A) Any open violation of any rule or regulation notice to the lot owner in the  
120 association official records;

- 121 (B) A list of and contact information for all other associations of which the lot owner  
122 is a member by virtue of ownership of the lot;
- 123 (C) A copy of the current covenants and bylaws of the association and a copy of the  
124 rules and regulations adopted by the association;
- 125 (D) A copy of the association's certificate of insurance for any insurance provided by  
126 the association for the lot or the name, address, email address, and telephone number  
127 of the association's insurance provider of any such insurance; and
- 128 (E) The signature of an officer or authorized agent of the association.
- 129 (d) A statement of account issued pursuant to this Code section shall have a 30 day  
130 effective period. If additional information is needed or a mistake related to the statement  
131 of account becomes known to the association or its agent within the effective period, an  
132 amended statement of account may be delivered and become effective if a sale or  
133 refinancing of the lot has not been completed during such effective period. An amended  
134 statement of account shall be delivered on the date of issuance and a new 30 day effective  
135 period shall begin on such date.
- 136 (e) An association waives the right to collect any moneys owed in excess of the amounts  
137 specified in the statement of account from any person and such person's successors or  
138 assigns who in good faith rely upon such statement of account.
- 139 (f) If the association or its agent fails to disclose in the statement of account the correct  
140 amount of an assessment, a special assessment, or other moneys owed to the association,  
141 the purchaser of the lot shall not be obligated to pay the incorrectly disclosed amount and  
142 any lien for the incorrectly disclosed amount owed to the association shall be extinguished.
- 143 (g)(1) An association's authorized agent may charge the association a reasonable fee for  
144 the preparation and issuance of a statement of account which shall not exceed \$250.00.
- 145 (2) If a statement of account is requested on an expedited basis and issued within three  
146 business days after the request, the association's authorized agent may charge the  
147 association an additional fee of \$50.00.

148 (3) Neither the association nor its authorized agent shall charge the requester of a  
149 statement of account pursuant to this Code section any fees associated with the  
150 preparation and issuance of the statement of account as provided for in this Code section.

151 44-3-237.

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

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

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

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

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

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

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

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

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

173 (e) The lien for unpaid assessments or other charges as provided for in Code Section  
174 44-3-225 shall not be created unless the association offers the lot owner participation in  
175 alternative dispute resolution in accordance with this Code section, and, if so requested by  
176 the lot owner, the association participates in such alternative dispute resolution."

177 **SECTION 4.**

178 Code Section 44-14-15 of the Official Code of Georgia Annotated, relating to fee for a future  
179 conveyance and limited circumstances relative to property, is amended by revising paragraph  
180 (3) of subsection (c) as follows:

181 "(3) A property owners' association formed for the purposes of exercising the powers of  
182 an association of property owners that has not been formed pursuant to or which has not  
183 adopted the provisions of Article 6 of Chapter 3 of this title, the 'Georgia Property  
184 Owners' Association Act,' provided that such association shall comply with subsection  
185 (d) of Code Section ~~44-3-232~~ 44-3-236;"

186 **SECTION 5.**

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

189 **SECTION 6.**

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