

The Senate Committee on Economic Development and Tourism offered the following substitute to SB 108:

MOOT

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 require associations to act in good faith in such alternative dispute resolution;
6 to provide for the recovery of attorney's fees by lot owners; to provide that such a lien shall
7 be inferior to liens for unpaid medical bills; to provide for alternative dispute resolution
8 policies and requirements therefor; to provide for a definition; to provide for related matters;
9 to provide for applicability; to repeal conflicting laws; and for other purposes.

10 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

11 **SECTION 1.**

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

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

20 **SECTION 2.**

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

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

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

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

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

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

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

71 (f)(1) In any alternative dispute resolution conducted pursuant to this Code section, the
72 parties shall act in good faith in all matters relating to the alternative dispute resolution,
73 including, but not limited to, making reasonable efforts to promptly conclude such
74 alternative dispute resolution.

75 (2) In any alternative dispute resolution conducted pursuant to this Code section wherein
76 any party violates the provisions of paragraph (1) of this subsection, the aggrieved party
77 shall be entitled to recover reasonable attorney's fees incurred as a result of participating
78 in such alternative dispute resolution."

79 **SECTION 4.**

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

82 **SECTION 5.**

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