

Senate Bill 361

By: Senators Brass of the 6th and James of the 28th

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 authorization of liens and use
3 of assessments; to provide for registration of property owners' associations; to provide for
4 rules and regulations regarding administrative hearings and escrow of funds; to provide for
5 related matters; to repeal conflicting laws; and for other purposes.

6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

7 **SECTION 1.**

8 Article 6 of Chapter 3 of Title 44 of the Official Code of Georgia Annotated, relating to
9 property owners' associations, is amended by revising subsection (c) of Code Section
10 44-3-232, relating to assessments against lot owners as constituting lien in favor of
11 association, additional charges against lot owners, procedure for foreclosing lien, and
12 obligation to provide statement of amounts due, as follows:

13 "(c) Upon receipt of a written authorization to proceed from the office of the Secretary of
14 State and not ~~Not~~ less than 30 days after notice is sent by certified mail or statutory
15 overnight delivery, return receipt requested, to the lot owner both at the address of the lot
16 and at any other address or addresses which the lot owner may have designated to the

17 association in writing, the lien may be foreclosed by the association by an action, judgment,
 18 and court order for foreclosure in the same manner as other liens for the improvement of
 19 real property, subject to superior liens or encumbrances, but any such court order for
 20 judicial foreclosure shall not affect the rights of holders of superior liens or encumbrances
 21 to exercise any rights or powers afforded to them under their security instruments. The
 22 notice provided for in this subsection shall specify the amount of the assessments then due
 23 and payable together with authorized late charges and the rate of interest accruing thereon.
 24 No foreclosure action against a lien arising out of this subsection shall be permitted unless
 25 the amount of the lien is at least ~~\$2,000.00~~ \$4,000.00, and no portion of any assessments
 26 shall be applied by an association to the cost of foreclosing against a lien. Unless
 27 prohibited by the instrument, the association shall have the power to bid on the lot at any
 28 foreclosure sale and to acquire, hold, lease, encumber, and convey the same. The lien for
 29 assessments shall lapse and be of no further effect, as to assessments or installments
 30 thereof, together with late charges and interest applicable thereto, four years after the
 31 assessment or installment first became due and payable."

32 **SECTION 2.**

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

34 "44-3-236.

35 (a) Simultaneously with filing articles of incorporation with the office of the Secretary of
 36 State pursuant to Chapter 3 of Title 14, the declarant shall also file with such office a
 37 registration of the association that includes:

38 (1) The name and address of the association;

39 (2) A copy of the association's by-laws;

40 (3) The name of the association's officers;

41 (4) A list of all lots included in the declaration; and

42 (5) The number of lot owners.

43 (b) By December 31 of the calendar year after the filing of the articles of incorporation and
44 by December 31 of each year thereafter, the declarant or the association shall file a new
45 registration with current data regarding the information provided pursuant to subsection (a)
46 of this Code section.

47 (c) By January 1, 2026, the Secretary of State shall promulgate rules and regulations
48 providing for administrative hearings regarding disputes between associations and owners.
49 Such hearings may be requested by any owner or association. The person who files a
50 request for a hearing shall, at the time of filing, pay the filing fee set by the Secretary of
51 State; provided, however, that the filer shall be reimbursed the filing fee by the other party
52 should the Secretary of State rule in favor of the filer.

53 (d) By January 1, 2026, the Department of Banking and Finance shall promulgate rules
54 and regulations providing for the escrow of funds held by an association."

55

SECTION 3.

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