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3 Councilmember Kenyan McDuffie  
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Councilmember Muriel Bowser

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10 A BILL  
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15 IN THE COUNCIL OF THE DISTRICT OF COLUMBIA  
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19 To amend the Condominium Act of 1976 (“Act”) to require mediation before a  
20 unit owner’s association may foreclose on a unit for the recovery of  
21 condominium assessments, fees, charges or penalties owed by a unit  
22 owner, to provide conspicuous notice to a potential purchaser in a  
23 condominium public offering statement of the governance regime to  
24 which the purchaser will be subject as a unit owner; to require mayoral  
25 review of a unit owner association’s budget and assessments for accuracy  
26 and reasonableness at the time a condominium is registered; and to require  
27 an annual report regarding condominium assessments and affordability in  
28 the District.

29 BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA,

30 That this act may be cited as the “Condominium Fee Fairness Act of  
31 2014”.

32 **TITLE I. FORECLOSURE MEDIATION PROGRAM.**

33 Sec. 101. The Condominium Act of 1976, effective March 29, 1977 (D.C.  
34 Law 1-89; D.C. Official Code § 42-1901.01 *et seq.*), is amended as follows:

35 (a) Section 313 (D.C. Official Code 42-1903.13) is amended by  
36 inserting a new subsection (b-1) to read as follows:

1                   “(b-1) A unit owners’ association shall not have the power of sale  
2 to enforce a lien for an assessment against a condominium unit if an assessment is  
3 past due pursuant to subsection (c) unless the unit owners’ association:

4                   “(1) (A) Gives written notice of the lien, in such format and  
5 containing such information as the Mayor shall, by rule, prescribe, by certified  
6 mail, postage prepaid, return receipt requested, and by first-class mail, to the unit  
7 owner at the mailing address of the unit and at any other address designated by  
8 the unit owner to the executive board for purpose of notice; and

9   “(B) Sends a copy of the notice required by  
10 subparagraph (A) of this paragraph to the Mayor; and

11                   “(2) Obtains a mediation certificate pursuant to a  
12 condominium lien mediation program established by the Department of Housing  
13 and Community Development that includes:

14   “(A) a clear process for pursuing a mediation,  
15 including time periods for each step in the process as defined in a rulemaking  
16 issued pursuant to Title I of the Administrative Procedure Act;

17   “(B) a requirement that unit owners must elect to  
18 pursue a mediation and pay a reasonable administrative fee within a prescribed  
19 time period upon receiving notice of a lien;

20   “(C) unit owners’ associations shall be subject to  
21 civil penalties and unit owners shall be entitled to equitable remedies if the unit  
22 owners’ association fails to adhere to the requirements of the mediation program.”

23                   **TITLE II. CONSUMER PROTECTION.**

24                   Sec. 201. The Condominium Act of 1976, effective March 29, 1977 (D.C.  
25 Law 1-89; D.C. Official Code § 42-1901.01 *et seq.*), is amended as follows:

26   (a) Section 404 (D.C. Official Code § 42-1904.04) is amended by  
27 inserting a new subsection (a-2) to read as follows:

1                   “(a-2). The public offering statement shall conspicuously state:  
2   ‘Condominiums are governed by their own unique instruments and bylaws, which  
3   are applied by the condominium unit owners’ association and executive board.  
4   Before purchasing a condominium unit, you should familiarize yourself with  
5   these governance documents and seek professional advice from an attorney,  
6   realtor, or other expert if necessary to understand your obligations. A unit  
7   owners’ association, either directly or through its executive board, may amend  
8   these governance documents after you purchase a unit. You may therefore be  
9   subject to further restrictions on how you may use your unit, fees that you may be  
10   required to pay, as well as foreclosure on your unit that may result if you fail to  
11   pay fees or comply with your obligations. All governance documents and actions  
12   taken pursuant to them must comply with the Condominium Act of 1976 (D.C.  
13   Official Code § 42-1901, et seq.).”.

14                   (b) Section 405 (D.C. Official Code § 42-1904.05) is amended by  
15   inserting a new subsection (6) to read as follows:

16                   “(6) That the projected budget provided in the public offering  
17   statement pursuant to section 404(a)(5)(B) is an accurate and reasonable estimate  
18   of the expenses that will be incurred by the unit owner’s association and the  
19   assessments that will be necessary to collect from unit owners to cover those  
20   expenses.”.

21                   (c) Section 412 (D.C. Official Code § 42-1904.12) is amended by  
22   inserting a new subsection (i) to read as follows:

23                   “(i) The mayor shall conduct an annual survey of assessments and  
24   fees charged by condominiums in the District and publish a report within 90 days  
25   of the end of each fiscal year that includes the average assessments charged by  
26   unit owner associations, average expenses incurred by unit owners associations,

1 and any additional data and analysis that would be helpful in understanding the  
2 long-term affordability of condominium ownership.”.

3 **TITLE III. FISCAL IMPACT AND EFFECTIVE DATE.**

4 Sec. 301. Fiscal impact statement.

5 The Council adopts the fiscal impact statement of the Budget Director as  
6 the fiscal impact statement required by section 602(c)(3) of the District of  
7 Columbia Home Rule Act, approved December 24, 1973 (87 Stat. 813; D.C.  
8 Official Code § 1-206.02(c)(3)).

9 Sec. 302. Effective date.

10 This act shall take effect following approval by the Mayor (or in the event  
11 of veto by the Mayor, action by the Council to override the veto), and shall  
12 remain in effect for no longer than 90 days, as provided for emergency acts of the  
13 Council of the District of Columbia in section 412(a) of the District of Columbia  
14 Home Rule Act, approved December 24, 1973 (87 Stat. 788; D.C. Official Code  
15 § 1-204.12(a)).