

PLEASE NOTE: Legislative Information **cannot** perform research, provide legal advice, or interpret Maine law. For legal assistance, please contact a qualified attorney.

Amend the bill by striking out the title and substituting the following:

**'An Act To Amend the Maine Condominium
Act Regarding Escrow of Assessments'**

Amend the bill by striking out everything after the enacting clause and before the summary and inserting the following:

'**Sec. 1. 33 MRSA §1603-115-A** is enacted to read:

§ 1603-115-A. Optional escrow of assessments

(a) The association may require that a person who purchases a unit after October 1, 2009 make payments into an escrow account established by the association until the balance in the escrow account for that unit is equal to 6 months of assessments as established under section 1603-115.

(b) All assessment payments made under this section and received after October 1, 2009 must be held in an account of a bank or other financial institution under terms that place these assessment payments beyond the claim of creditors of the association. Upon request by a unit owner, the association shall disclose the name of the institution and the account number where these assessment payments are being held. An association may use a single escrow account to hold assessment payments made under this section from all of the unit owners.

(c) The association shall pay interest on the assessment payments under this section in an amount equivalent to the rate required under Title 9-B, section 429.

(d) The association shall return the assessment payments made under this section, together with the interest earned under subsection (c), to the unit owner when the owner sells the unit and has fully paid all assessments under section 1603-115. The association may use the balance in the account to offset any assessments remaining unpaid.

(e) The assessment payments made under this section may be used by the association to cover up to 6 months of the costs attributable to a unit for which assessment payments have not been made.'

SUMMARY

This amendment is the majority report.

This amendment authorizes a condominium association to require the payment into escrow of assessments to a total of 6 months' worth of assessments for each unit. Interest must be paid on the amounts escrowed. The association shall return the assessment payments made, together with interest earned, to the unit owner when the owner sells the unit and has fully paid all the assessments due. The association may use the balance in the account to offset any assessments remaining unpaid.