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3 HOUSE COMMERCE AND SMALL BUSINESS COMMITTEE SUBSTITUTE FOR  
4 HB137

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9 SYNOPSIS: This bill would create the Alabama  
10 Homeowners' Association Act to govern homeowners'  
11 associations responsible for the maintenance of  
12 common areas of a residential development and with  
13 the authority to levy assessments that are  
14 enforceable as liens against real property.

15 This bill would require the declarant of a  
16 real property residential development to disclose  
17 financial and other information relating to the  
18 development to the board of directors of a  
19 homeowners' association.

20 This bill would require a homeowners'  
21 association to maintain detailed records of  
22 receipts and expenditures affecting the operation  
23 and administration of the association, and would  
24 authorize the inspection of these records by  
25 members of the association under certain  
26 conditions.

1           This bill would provide for annual, open  
2 meetings, including special or emergency meetings,  
3 by the association and notice to members of future  
4 meetings of the association.

5           This bill would require the board of  
6 directors of a homeowners' association to establish  
7 a reasonable method for lot owners to communicate  
8 among themselves and with the board of directors  
9 regarding any matter concerning the association.

10           This bill would require a homeowners'  
11 association to register annually with the Alabama  
12 Real Estate Commission and would authorize the  
13 commission to develop alternative dispute  
14 resolution programs to address disputes between  
15 associations and lot owners.

16           This bill would authorize a homeowners'  
17 association to adopt and enforce rules regarding  
18 the use of the common areas and any other areas of  
19 responsibility assigned to the association by the  
20 declaration, including the power to assess charges  
21 against any member for any violation of the  
22 declaration or association rules.

23           This bill would authorize a homeowners'  
24 association to initiate a suit in circuit court to  
25 recover assessed charges or to obtain injunctive or  
26 other relief for violations of the declaration or  
27 association rules, or to pursue arbitration of

1           disputes or other means of alternative dispute  
2           resolution, if authorized by the declaration or  
3           bylaws.

4                   This bill would provide that an association  
5           will have a lien on every lot for unpaid  
6           assessments levied against that lot provided that  
7           the lien is properly recorded and notice is  
8           afforded to the owner of the lot.

9                   This bill would also provide that a judgment  
10          enforcing a lien may include reimbursement for  
11          costs, interest, and reasonable attorney's fees of  
12          the prevailing party.

13  
14                                   A BILL  
15                                   TO BE ENTITLED  
16                                   AN ACT

17  
18                   Relating to certain homeowners' associations; to  
19          define terms; to require the declarant of a real property  
20          residential development to disclose financial and other  
21          information relating to the development to the board of  
22          directors of a homeowners' association; to require a  
23          homeowners' association to maintain detailed records of  
24          receipts and expenditures affecting the operation and  
25          administration of the association; to provide for the  
26          inspection of records by members under certain conditions; to  
27          provide for open meetings of the association; to provide for

1 notice of meetings to members of the association; to provide  
2 for the recording of meetings; to require an association to  
3 establish reasonable methods of communication between members  
4 and the board of directors; to require registration with the  
5 Alabama Real Estate Commission; to authorize registration  
6 fees; to require the commission to develop alternative dispute  
7 resolution methods to address disputes between associations  
8 and lot owners; to authorize a homeowners' association to  
9 adopt and enforce rules regarding the use of the common areas  
10 and any other areas of responsibility assigned to the  
11 association by the declaration; to authorize the association  
12 to assess charges for certain violations of the declaration  
13 and association rules; to authorize a homeowners' association  
14 to initiate a suit in circuit court to recover assessed  
15 charges or to obtain injunctive or other relief for  
16 violations; to provide for additional alternative dispute  
17 resolution methods; to provide for liens on a lot for unpaid  
18 assessments; and to provide for judgments enforcing liens and  
19 releases for satisfaction of liens.

20 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

21 Section 1. This act shall be known and may be cited  
22 as the Alabama Homeowners' Association Act.

23 Section 2. For the purposes of this act, the  
24 following terms shall have the following meanings:

25 (1) ASSOCIATION. A homeowners' association.

1                   (2) BOARD OF DIRECTORS. The executive body of a  
2 homeowners' association, or a committee which is exercising  
3 the power of the executive body by resolution or bylaw.

4                   (3) COMMON AREA. Property within a development which  
5 is owned, leased, or required by the declaration to be  
6 maintained or operated by a homeowners' association for the  
7 use of its members and designated as common area in the  
8 declaration.

9                   (4) DECLARANT. The person or entity signing the  
10 declaration and its successors or assigns who may submit  
11 property to a declaration.

12                   (5) DECLARATION. Any instrument, however  
13 denominated, recorded in the office of the judge of probate in  
14 the county in which the development or any part thereof is  
15 located which satisfies both of the following:

16                   a. Imposes on the association maintenance or  
17 operational responsibilities for the common area.

18                   b. Creates the authority in the association to levy  
19 an assessment on lots, the owners or occupants of the lots, or  
20 other entities to provide for maintenance or services for the  
21 benefit of some or all of the lots, the owners or occupants of  
22 the lots, or the common area.

23                   "Declaration" includes any amendment or supplement  
24 to the instruments described in this definition. "Declaration"  
25 does not include a declaration of a condominium, real estate  
26 cooperative, time-share project, or campground.

1           (6) DEVELOPMENT. Real property located within this  
2 state subject to a declaration that contains both lots,  
3 primarily designed for residential use or are occupied for  
4 recreational purposes, and common areas with respect to which  
5 any person, by virtue of ownership of a lot, is a member of an  
6 association and is obligated to pay assessments provided for  
7 in a declaration.

8           (7) HOMEOWNERS' ASSOCIATION. An incorporated or  
9 unincorporated entity upon which responsibilities are imposed  
10 and to which authority is granted in a declaration.

11           (8) LOT. Any plot or parcel of land designated for  
12 separate ownership or occupancy shown on a recorded  
13 subdivision plat for a development or the boundaries of which  
14 are described in the declaration or in a recorded instrument  
15 referred to or expressly contemplated by the declaration,  
16 other than a common area.

17           Section 3. (a) This act applies to all developments  
18 subject to a declaration, as defined by this act.

19           (b) This act does not apply to either of the  
20 following:

21           (1) A community that is composed of property  
22 primarily intended for commercial, industrial, or other  
23 nonresidential use.

24           (2) Any association that is subject to regulation  
25 under Chapters 8 or 8A, Title 35, Code of Alabama 1975.

26           Section 4. (a) Within 60 days of the initial  
27 selection of the board of directors of the association and

1 continuing thereafter, the declarant shall provide to the  
2 board of directors or its designated agent all of the  
3 following:

4 (1) All association books and records held by or  
5 controlled by the declarant, including without limitation,  
6 minute books and rules, including all amendments, which may  
7 have been adopted.

8 (2) An accurate and complete statement of receipts  
9 and expenditures from the date of the recording of the  
10 association documents to the end of the regular accounting  
11 period immediately succeeding the first election of the board  
12 of directors by the home owners, not to exceed 60 days after  
13 the date of the election

14 (3) A separate accounting of any dues paid to the  
15 association.

16 (4) The number of lots subject to the declaration.

17 (5) The number of lots that may be subject to the  
18 declaration upon completion of development.

19 (6) A copy of the latest available approved plans  
20 and specifications for all improvements in the project or  
21 as-built plans if available.

22 (7) All association insurance policies which are  
23 currently in force.

24 (8) Written unexpired warranties of the contractors,  
25 subcontractors, suppliers, and manufacturers, if any, relative  
26 to all common area improvements.

1           (9) Any contracts in which the association is a  
2     contracting party.

3           (10) A list of manufacturers of paints, roofing  
4     materials, and other similar materials if specified for use on  
5     the association property.

6           (11) A list of development costs relating to a  
7     common area under the administration of the homeowners'  
8     association.

9           (12) The number of members of the board of directors  
10    and number of directors appointed by the declarant together  
11    with names and contact information of members of the board of  
12    directors.

13           (b) If the declarant fails to provide the required  
14    documents and information to the board of directors as  
15    required under subsection (a), the board may make a written  
16    demand, mailed by registered or certified mail, for the  
17    declarant to comply with subsection (a). If the declarant  
18    fails to provide the documents and information within 10 days  
19    from the date of receipt of the written demand, the board may  
20    bring an action to compel compliance with subsection (a). If  
21    the court finds that any of the required documents or  
22    information were not delivered within the required period, the  
23    board shall recover its reasonable attorney's fees and costs  
24    incurred from and after the date of expiration of the 10-day  
25    demand.

26           (c) If the association is managed by a common  
27    interest community manager in which the declarant, or its

1 principals, has no pecuniary interest or management role, the  
2 common interest community manager shall provide the documents  
3 and information required by subdivisions (1), (2), (7), and  
4 (9) of subsection (a).

5 Section 5. (a) The association shall keep detailed  
6 records of receipts and expenditures affecting the operation  
7 and administration of the association. All financial books and  
8 records shall be kept in accordance with generally accepted  
9 accounting practices.

10 (b)(1) Subject to subsections (c) and (e) and  
11 provided that the request is for a proper purpose related to  
12 his or her membership in the association, all books and  
13 records kept by or on behalf of the association shall be  
14 available for examination and copying by a member in good  
15 standing or his or her authorized agent.

16 (2) The right of examination shall exist without  
17 reference to the duration of membership and may be exercised  
18 only during reasonable business hours or at a mutually  
19 convenient time and location and upon five days' written  
20 notice reasonably identifying the purpose for the request and  
21 the specific books and records of the association requested.

22 (c) Except as provided in subsection (e), books and  
23 records kept by or on behalf of an association may be withheld  
24 from inspection and copying to the extent that they concern  
25 any of the following:

26 (1) Personnel matters relating to specific,  
27 identified persons or a person's medical records.

1           (2) Contracts, leases, and other commercial  
2 transactions to purchase or provide goods or services,  
3 currently in or under negotiation.

4           (3) Pending or probable litigation. For the purposes  
5 of this subdivision, "probable litigation" means those  
6 instances where there has been a specific threat of litigation  
7 from a party or the legal counsel of a party.

8           (4) Matters involving state or local judicial,  
9 administrative, or other formal proceedings for enforcement of  
10 the association documents or rules and regulations  
11 promulgated.

12           (5) Communications with legal counsel that relate to  
13 subdivisions (1) through (4) or that are protected by the  
14 attorney-client privilege or the attorney work product  
15 doctrine.

16           (6) Disclosure of information in violation of law.

17           (7) Meeting minutes or other confidential records of  
18 an executive session of the board of directors.

19           (8) Documentation, correspondence, or management or  
20 board reports compiled for or on behalf of the association or  
21 the board by its agents or committees for consideration by the  
22 board in executive session.

23           (9) Individual lot owner or member files, other than  
24 those of the requesting lot owner, including any individual  
25 lot owner's or member's files kept by or on behalf of the  
26 association.

1 (d) Except as provided in subsection (e), prior to  
2 providing copies of any books and records to a member in good  
3 standing under this section, the association may impose and  
4 collect a charge, reflecting the reasonable costs of materials  
5 and labor, not to exceed the actual costs of the production.  
6 Charges may be imposed only in accordance with a cost schedule  
7 adopted by the board of directors. The cost schedule shall  
8 satisfy all of the following:

9 (1) Specify the charges for materials and labor.

10 (2) Apply equally to all members in good standing.

11 (3) Be provided to a requesting member at the time  
12 the request is made.

13 (e) Notwithstanding subsections (c) and (d), all  
14 books and records of the association, including individual  
15 salary information for all employees and payments to  
16 independent contractors, shall be available for examination  
17 and copying upon request by a member of the board of directors  
18 in the discharge of his or her duties as a director.

19 (f) (1) Meetings of the association shall be held in  
20 accordance with the bylaws at least once each year after the  
21 formation of the association. The bylaws shall specify an  
22 officer or his or her agent who, at least 14 days in advance  
23 of any annual or regularly scheduled meeting, and at least  
24 seven days in advance of any other meeting, shall send to each  
25 member notice of the time, place, and purposes of the meeting.  
26 In the event of cancellation of any annual meeting of the  
27 association at which directors are elected, the seven-day

1 notice of any subsequent meeting scheduled to elect the  
2 directors shall include a statement that the meeting is  
3 scheduled for the purpose of the election of directors.

4 (2) Notice shall be sent by United States mail to  
5 all members at the address of their respective lots unless the  
6 member has provided to an officer or his or her agent an  
7 address other than the address of the member's lot.

8 Alternatively, notice may be hand delivered by the officer or  
9 his or her agent, provided the officer or agent certifies in  
10 writing that notice was delivered to the member. Except as  
11 provided in subdivision (7) of subsection (c), draft minutes  
12 of the board of directors shall be open for inspection and  
13 copying within 60 days from the conclusion of the meeting to  
14 which the minutes pertain or when the minutes are distributed  
15 to board members as part of an agenda package for the next  
16 meeting of the board of directors, whichever occurs first.

17 Section 6. (a) All meetings of the board of  
18 directors, including any subcommittee or other committee  
19 thereof, shall be open to all members of record. The board of  
20 directors may not use work sessions or other informal  
21 gatherings of the board of directors to circumvent the open  
22 meeting requirements of this section. Minutes of the meetings  
23 of the board of directors shall be recorded and shall be  
24 available as provided in subsection (b) of Section 5.

25 (b) (1) Notice of the time, date, and place of each  
26 meeting of the board of directors or of any subcommittee or  
27 other committee thereof shall be published where it is

1 reasonably calculated to be available to a majority of the lot  
2 owners.

3 (2) A lot owner may request to be notified on a  
4 continual basis of any meetings. The request shall be made at  
5 least once a year in writing. Notice of the time, date, and  
6 place shall be sent to any lot owner requesting notice as  
7 follows:

8 a. By first-class mail or e-mail for meetings of the  
9 board of directors.

10 b. By e-mail for meetings of any subcommittee or  
11 other committee of the board of directors.

12 (3) Reasonable notice of special or emergency  
13 meetings shall be given contemporaneously with the notice  
14 provided members of the association's board of directors or  
15 any subcommittee or other committee thereof conducting the  
16 meeting.

17 (4) Unless otherwise exempt as relating to an  
18 executive session pursuant to subsection (c), at least one  
19 copy of all agenda packets and materials furnished to members  
20 of an association's board of directors or subcommittee or  
21 other committee thereof for a meeting shall be made available  
22 for inspection by the membership of the association at the  
23 same time the documents are furnished to the members of the  
24 board of directors or any subcommittee or committee thereof.

25 (5) Any member may record any portion of an open  
26 meeting. The board of directors or subcommittee or other

1 committee thereof conducting the meeting may adopt rules  
2 relating to the following:

3 a. Placement and use of equipment necessary for  
4 recording a meeting to prevent interference with the  
5 proceedings.

6 b. Notice by a member recording the meeting that it  
7 is being recorded.

8 (6) If a meeting is conducted by telephone  
9 conference or video conference or similar electronic means, at  
10 least two members of the board of directors shall be  
11 physically present at the meeting place included in the  
12 notice. The audio equipment shall be sufficient for any member  
13 in attendance to hear what is said by any member of the board  
14 of directors participating in the meeting who is not  
15 physically present.

16 (7) Except for the election of officers, voting by  
17 secret or written ballot in an open meeting shall be a  
18 violation of this act.

19 (c) (1) Upon the affirmative vote in an open meeting  
20 to assemble in executive session, the board of directors or  
21 any subcommittee or other committee thereof may convene to  
22 consider any of the following:

23 a. Personnel matters.

24 b. Consultation with legal counsel.

25 c. Contracts, pending or probable litigation, and  
26 matters involving violations of the declaration or rules

1 adopted for which a member, his or her family members,  
2 tenants, guests, or other invitees are responsible.

3 d. Personal liability of members to the association.

4 (2) The motion to convene in executive session shall  
5 state specifically the purpose for the executive session.  
6 Reference to the motion and the stated purpose for the  
7 executive session shall be included in the minutes. The board  
8 of directors shall restrict the consideration of matters  
9 during the portions of meetings to only those purposes  
10 specifically exempted and stated in the motion. The  
11 requirements of this section shall not require the disclosure  
12 of information in violation of law.

13 (d) Subject to reasonable rules adopted by the board  
14 of directors, the board of directors shall provide a  
15 designated period of time during a meeting to allow members an  
16 opportunity to comment on any matter relating to the  
17 association. During a meeting at which the agenda is limited  
18 to specific topics or at a special meeting, the board of  
19 directors may limit the comments of members to the topics  
20 listed on the meeting agenda.

21 Section 7. The board of directors shall establish a  
22 reasonable, effective, and free method, appropriate to the  
23 size and nature of the association, for lot owners to  
24 communicate among themselves and with the board of directors  
25 regarding any matter concerning the association.

1           Section 8. (a) The board of directors shall annually  
2 register with the Alabama Real Estate Commission in a form and  
3 at such time as prescribed by rules adopted by the commission.

4           (b) The Alabama Real Estate Commission shall  
5 maintain a list of homeowners' associations registered in this  
6 state and publish the list on its public website.

7           (c) (1) The Alabama Real Estate Commission may  
8 establish a fee for the registration of a homeowners'  
9 association in an amount to be determined by the commission.

10           (2) All registration fees collected shall be  
11 deposited in the State Treasury to the credit of the Real  
12 Estate Commission Revenue Fund and shall be disbursed by the  
13 state Comptroller on order of the executive director at the  
14 direction of the commission.

15           (d) A registration with the commission shall be  
16 valid for one year. If a board of directors fails to register  
17 in accordance with this section and rules adopted by the  
18 commission, the board may not impose or enforce a lien for  
19 assessments under Section 12 or pursue an action under Section  
20 10 or 11. A lien for assessments previously recorded during a  
21 period in which the association was validly registered is not  
22 extinguished by a lapse in the association's registration, but  
23 a pending enforcement proceeding related to the lien is  
24 suspended, and an applicable statute of limitation tolled,  
25 until the association is validly registered pursuant to this  
26 section. An association's registration in compliance with this

1 section revives a previously suspended right without penalty  
2 to the association.

3 (e) A registration under this section is valid upon  
4 the commission's acceptance of the registration form and  
5 payment of applicable fees.

6 (f) Homeowners' associations formed prior to January  
7 1, 2015, shall register under this section beginning on  
8 January 1, 2015.

9 Section 9. (a) The Alabama Real Estate Commission  
10 may coordinate and assist in the preparation of educational  
11 and reference materials regarding the rights and duties of lot  
12 owners and boards of directors under this act, as well as any  
13 additional information the commission deems appropriate.

14 (b) The commission shall track inquiries and  
15 complaints relating to homeowners' associations and report  
16 annually to the Governor and the Legislature regarding the  
17 number and types of inquiries and complaints received.

18 (c) The commission shall develop an alternative  
19 dispute resolution program to address disputes between  
20 homeowners' associations and lot owners. The commission may  
21 charge a fee for participation in the alternative dispute  
22 resolution program, as determined by the commission. Any fee  
23 collected shall be deposited in the State Treasury to the  
24 credit of the Real Estate Commission Revenue Fund and shall be  
25 disbursed by the state Comptroller on order of the executive  
26 director at the direction of the commission.

1           Section 10. (a) Except as otherwise provided in this  
2 act, the board of directors shall have the power to adopt and  
3 enforce rules regarding use of the common areas. Rules may be  
4 adopted by resolution and shall be reasonably published or  
5 distributed throughout the development. A majority of votes  
6 cast, in person or by proxy, at a meeting convened in  
7 accordance with the bylaws and called for that purpose, shall  
8 repeal or amend any rule adopted by the board of directors.  
9 Rules may be enforced by any method normally available to the  
10 owner of private property in this state, including, but not  
11 limited to, application for injunctive relief or damages,  
12 during which the court may award to the association court  
13 costs and reasonable attorney's fees.

14           (b) (1) The board of directors shall have the power,  
15 to the extent the declaration or rules adopted provide, to do  
16 the following:

17           a. To suspend a member's right to use facilities or  
18 services, including utility services, provided directly  
19 through the association for nonpayment of assessments which  
20 are more than 60 days past due, to the extent that access to  
21 the lot through the common areas is not precluded and provided  
22 that the suspension will not endanger the health, safety, or  
23 property of any owner, tenant, or occupant.

24           b. Assess penalties against any member for any  
25 violation of the declaration or rules for which the member or  
26 his or her family members, tenants, guests, or other invitees  
27 are responsible.

1           (2) Before any penalty or suspension may be imposed,  
2 a member shall be given an opportunity to be heard and to be  
3 represented by counsel before the board of directors or other  
4 tribunal specified in the documents. Notice of a hearing,  
5 including the penalties or other sanctions that may be  
6 imposed, shall be hand delivered or mailed by registered or  
7 certified mail, return receipt requested, to the member at the  
8 address of record with the association at least 14 days prior  
9 to the hearing. Within seven days of the hearing, the hearing  
10 result shall be hand delivered or mailed by registered or  
11 certified mail, return receipt requested, to the member at the  
12 address of record with the association.

13           (3) The amount of any penalty assessed may not be  
14 limited to the expense or damage to the association caused by  
15 the violation and shall be set by the association, not to  
16 exceed five thousand dollars (\$5,000) for any one offense or  
17 an offense of a continuing nature. The penalty assessed shall  
18 be treated as an assessment against the member's lot for the  
19 purposes of Section 12.

20           (4) If a suit is filed pursuant to this section or  
21 Section 11, no additional penalty shall accrue after the  
22 filing of the suit. If the court rules in favor of the  
23 association, it shall be entitled to collect the penalty from  
24 the date the action was filed as well as all other penalties  
25 assessed pursuant to this section against the lot owner prior  
26 to the action. In addition, if the court finds that the

1 violation remains uncorrected, the court may order the lot  
2 owner to abate or remedy the violation.

3 Section 11. (a) Every lot owner and all those  
4 entitled to occupy a lot shall comply with this act and the  
5 declaration. Any lack of compliance shall be grounds for an  
6 action or suit by the association, its board of directors or  
7 managing agent, or one or more aggrieved lot owners, to  
8 recover sums due, for damages or injunctive relief, or for any  
9 other remedy available at law or in equity. Except as provided  
10 in subsection (b), the prevailing party shall be entitled to  
11 recover reasonable attorney's fees, court costs, and interest  
12 on the judgment.

13 (b) In actions against a lot owner for nonpayment of  
14 assessments in which the lot owner has failed to pay  
15 assessments levied by the association on more than one lot or  
16 the lot owner has had legal action taken against him or her  
17 for nonpayment of any prior assessment, the prevailing party  
18 shall be awarded reasonable attorney's fees, costs expended in  
19 the matter, and interest on the judgment as provided in  
20 subsection (a).

21 Section 12. (a) (1) The association shall have a lien  
22 on every lot for unpaid assessments levied against that lot in  
23 accordance with this act and the declaration. The lien shall  
24 be prior to all other subsequent liens and encumbrances,  
25 except any of the following:

26 a. Real estate tax liens on that lot.

1           b. Liens and encumbrances recorded prior to the  
2 recordation of the declaration.

3           c. Sums secured by any mortgage, deed of trust,  
4 Uniform Commercial Code filing, or similar instrument recorded  
5 prior to the perfection of the lien.

6           (2) The lien is prior to mortgages and deeds of  
7 trust for unpaid assessments which would have become due in  
8 the absence of acceleration during the six months immediately  
9 preceding institution of an action to enforce the lien.

10          (3) This subsection shall not affect the priority of  
11 mechanics' liens.

12          (b) (1) In order to perfect a lien under this  
13 section, the association shall file a notice of lien, verified  
14 by the oath of the principal officer of the association, in  
15 the office of the judge of probate in the county in which the  
16 development is located. The notice of lien shall be filed  
17 before the expiration of 12 months from the time the first  
18 assessment became due and payable and shall contain all of the  
19 following information:

20           a. The name of the development.

21           b. A description of the lot.

22           c. The names of the owners of the lot.

23           d. The amount of any unpaid assessments currently  
24 due or past due relative to the lot together with the date  
25 when each were due.

26           e. The date of issuance of the notice of lien.

1           f. The name of the association and the name and  
2           current address of the person to contact to arrange for  
3           payment or release of the lien.

4           g. A statement that the association is obtaining a  
5           lien in accordance with the Alabama Homeowners' Association  
6           Act.

7           (2) The office of the judge of probate in which the  
8           notice of lien is filed shall record and index the lien, in  
9           the names of the persons identified therein as well as in the  
10          name of the association. The cost of recording and releasing  
11          the lien shall be taxed against the person found liable in any  
12          judgment or decree enforcing the lien.

13          (c) Prior to filing the notice of lien, the  
14          association shall send a written notice by certified mail to  
15          the property owner at the property owner's last known address,  
16          informing the property owner that a notice of lien will be  
17          filed in the office of the judge of probate. The notice shall  
18          be sent at least 30 days before the actual filing date of the  
19          notice of lien.

20          (d) (1) An association may bring suit to enforce a  
21          lien in the circuit court in the county where the development  
22          is located by filing a verified complaint and sworn affidavit  
23          that the notice of lien has been recorded in compliance with  
24          this section. The summons and complaint, and all other  
25          particulars of suit, shall be made in accordance with the  
26          Alabama Rules of Civil Procedure. All liens claimed under this  
27          section shall be foreclosed as provided for by law.

1           (2) A judgment enforcing a lien under this section  
2 may include reimbursement for costs and reasonable attorney's  
3 fees of the prevailing party. If the association prevails, it  
4 may also recover interest on the amount secured by the lien.

5           (3) Upon full payment of all sums secured by the  
6 lien, the party making payment shall be entitled to a  
7 recordable satisfaction of lien.

8           (4) An action to recover a money judgment for unpaid  
9 assessments may be maintained without waiving the lien  
10 securing the same.

11           Section 13. Except as provided in Section 8, this  
12 act does not apply to a homeowners' association created prior  
13 to the effective date of this act.

14           Section 14. This act shall become effective on  
15 January 1, 2015, or its otherwise becoming law.