
By: Chairman, Judicial Proceedings Committee (Departmental - Secretary of State)

Requested: October 4, 1995

Introduced and read first time: January 10, 1996

Assigned to: Judicial Proceedings

A BILL ENTITLED

1 AN ACT concerning

2 **Condominiums - Notice of Default - Insurance Deductibles**

3 FOR the purpose of providing that a certain notice required to be given to a unit owner
4 in order to accelerate payment of the annual assessment may be given at any time
5 after the default in payment of a monthly installment; providing that in certain cases
6 a unit owner is responsible for an insurance deductible attributable to the repair or
7 replacement of the owner's unit; and generally relating to condominiums.

8 BY repealing and reenacting, with amendments,
9 Article - Real Property
10 Section 11-110(e)(3) and 11-114(g)(2)
11 Annotated Code of Maryland
12 (1988 Replacement Volume and 1995 Supplement)

13 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
14 MARYLAND, That the Laws of Maryland read as follows:

15 **Article - Real Property**

16 11-110.

17 (e) (3) If the declaration or bylaws provide for an annual assessment payable in
18 regular installments, the declaration or bylaws may further provide that if a unit owner
19 fails to pay an installment when due, the council of unit owners may demand payment of
20 the remaining annual assessment coming due within that fiscal year. A demand by the
21 council is not enforceable unless the council, [within 15 days of] AFTER a unit owner's
22 failure to pay an installment, notifies the unit owner that if the unitowner fails to pay the
23 monthly installment within 15 days of the notice, full payment of the remaining annual
24 assessment will then be due and shall constitute a lien on the unit as provided in this
25 section.

26 11-114.

27 (g) (2) (I) [The] EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF THIS
28 PARAGRAPH, THE cost of repair or replacement in excess of insurance proceeds and
29 reserves is a common expense.

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1 (II) UNLESS THE DECLARATION OR BYLAWS PROVIDE OTHERWISE,
2 A UNIT OWNER IS RESPONSIBLE FOR AN INSURANCE DEDUCTIBLE AMOUNT
3 ATTRIBUTABLE TO THE REPAIR OR REPLACEMENT OF ANY PART OF THE OWNER'S
4 UNIT CAUSED BY THE INTENTIONAL OR NEGLIGENT ACT OR OMISSION OF THE UNIT
5 OWNER, OR AN OCCUPANT OR LICENSEE OF THE OWNER'S UNIT. A DEDUCTIBLE
6 UNDER THIS SUBPARAGRAPH MAY BE ASSESSED TO AN OWNER'S UNIT IN THE SAME
7 MANNER AS ANNUAL ASSESSMENTS AND MAY BE ENFORCED BY THE IMPOSITION OF
8 A LIEN ON THE UNIT IN ACCORDANCE WITH TITLE 14, SUBTITLE 2 OF THIS ARTICLE.

9 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
10 October 1, 1996.