

(PRE-FILED)

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

Committee Report: Favorable

Senate action: Adopted

Read second time: February 6, 1996

CHAPTER ____

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

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1 assessment will then be due and shall constitute a lien on the unit as provided in this
2 section.

3 11-114.

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

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

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