
By: Senator Munson

Requested: June 26, 1996

Introduced and read first time: January 8, 1997

Assigned to: Judicial Proceedings

A BILL ENTITLED

1 AN ACT concerning

2 **Lead Paint - Insurance - Definition of Affected Property**

3 FOR the purpose of altering the definition of "affected property" in provisions of the
4 insurance law relating to lead paint hazards; providing for the application of this
5 Act; and generally relating to the definition of affected property.

6 BY repealing and reenacting, with amendments,

7 Article - Insurance

8 Section 19-701(b)

9 Annotated Code of Maryland

10 (1996 Volume)

11 (As enacted by Chapter 11 of the Acts of the General Assembly of 1996)

12 BY repealing and reenacting, without amendments,

13 Article - Insurance

14 Section 19-704(d)

15 Annotated Code of Maryland

16 (1996 Volume)

17 (As enacted by Chapter 11 of the Acts of the General Assembly of 1996)

18 BY repealing and reenacting, without amendments,

19 Article - Environment

20 Section 6-801(b) and (t) and 6-803

21 Annotated Code of Maryland

22 (1996 Replacement Volume and 1996 Supplement)

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

25 **Article - Insurance**

26 19-701.

27 (b) (1) "Affected property" means [a property with at least one rental dwelling
28 unit];

2

1 (I) A PROPERTY CONSTRUCTED BEFORE 1950 THAT CONTAINS AT
2 LEAST ONE RENTAL DWELLING UNIT; OR

3 (II) A RESIDENTIAL RENTAL PROPERTY FOR WHICH THE OWNER
4 MAKES AN ELECTION UNDER § 6-803(A)(2) OF THE ENVIRONMENT ARTICLE.

5 (2) "AFFECTED PROPERTY" INCLUDES AN INDIVIDUAL RENTAL
6 DWELLING UNIT WITHIN A MULTIFAMILY RENTAL DWELLING.

7 (3) "AFFECTED PROPERTY" DOES NOT INCLUDE PROPERTY EXEMPTED
8 UNDER § 6-803(B) OF THE ENVIRONMENT ARTICLE.

9 19-704.

10 (d) If a policy issued or renewed by an authorized insurer on or after January 1,
11 1995, for an affected property contains a lead hazard coverage exclusion, the authorized
12 insurer shall waive the exclusion to the extent of a qualified offer made or to be made
13 under Title 6, Subtitle 8, Part V of the Environment Article:

14 (1) if the owner of the affected property complies with Title 6, Subtitle 8,
15 Part III of the Environment Article;

16 (2) if at the election of the insured, and whether or not a change in
17 occupancy has occurred, the affected property:

18 (i) passes the test for lead-contaminated dust under § 6-816 of the
19 Environment Article; or

20 (ii) has undergone the lead hazard reduction treatments and complies
21 with the risk reduction standard under § 6-815(a)(2) of the Environment Article; and

22 (3) if the insured submits to the authorized insurer a current verified report
23 completed by an accredited inspector under § 6-818 of the Environment Article certifying
24 that the affected property complies with the standards set forth in item (2) of this
25 subsection.

26 **Article - Environment**

27 6-801.

28 (b) (1) "Affected property" means:

29 (i) A property constructed before 1950 that contains at least one
30 rental dwelling unit; or

31 (ii) Any residential rental property for which the owner makes an
32 election under § 6-803(a)(2) of this subtitle.

33 (2) "Affected property" includes an individual rental dwelling unit within a
34 multifamily rental dwelling.

35 (3) "Affected property" does not include property exempted under §
36 6-803(b) of this subtitle.

3

1 (t) (1) "Rental dwelling unit" means a room or group of rooms that form a
2 single independent habitable rental unit for permanent occupation by one or more
3 individuals that has living facilities with permanent provisions for living, sleeping, eating,
4 cooking, and sanitation.

5 (2) "Rental dwelling unit" does not include:

6 (i) An area not used for living, sleeping, eating, cooking, or sanitation,
7 such as an unfinished basement;

8 (ii) A unit within a hotel, motel, or similar seasonal or transient
9 facility;

10 (iii) An area which is secured and inaccessible to occupants;

11 (iv) A common area which is not part of, or adjoining, a rental dwelling
12 unit within a multifamily rental dwelling; or

13 (v) A unit which is not offered for rent.

14 6-803.

15 (a) This subtitle applies to:

16 (1) Affected property; and

17 (2) Notwithstanding subsection (b) of this section, any residential rental
18 property, the owner of which elects to comply with this subtitle.

19 (b) This subtitle does not apply to:

20 (1) Property not expressly covered in subsection (a) of this section;

21 (2) Affected property owned or operated by a unit of federal, State, or local
22 government, or any public, quasi-public, or municipal corporation, if the affected
23 property is subject to lead standards that are equal to, or more stringent than, the risk
24 reduction standard established under § 6-815 of this subtitle; or

25 (3) Affected property which is certified to be lead-free pursuant to § 6-804
26 of this subtitle.

27 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall be construed
28 to effect a contract of insurance covering an affected property that is issued or renewed
29 on or after the effective date of this Act.

30 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
31 October 1, 1997.