

Department of Legislative Services
Maryland General Assembly
1999 Session

FISCAL NOTE

House Bill 913 (Delegate Sophocleus. *et al.*)

Judiciary

Community Associations - Civil Liability

This bill adds community associations as a type of organization to which the Maryland Associations, Organizations, and Agents Act applies. An agent is not personally liable for damages in a lawsuit if the association maintains liability insurance with specified minimum levels of coverage, except in cases of malice or gross negligence. The association is only liable to the extent of the insurance coverage limits. The Maryland Associations, Organizations, and Agents Act currently applies to athletic clubs, charitable organizations, and civic leagues, cooperative housing corporations, councils of condominium unit owners, and homeowners associations.

This bill is effective June 1, 1999 and may be applied retroactively to any cause of action arising on or after October 1, 1994.

Fiscal Summary

State Effect: None. The bill would not directly affect governmental operations or finances.

Local Effect: None.

Small Business Effect: Potential minimal. The bill limits the liability of community associations.

Information Source(s): Maryland Insurance Administration, Judiciary (District Court of Maryland), Department of Legislative Services

Fiscal Note History: First Reader - March 5, 1999

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