

Department of Legislative Services  
Maryland General Assembly  
2000 Session

**FISCAL NOTE**

House Bill 78      (Delegate Sophocleus)  
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.

This bill takes effect June 1, 2000.

---

**Fiscal Summary**

**State Effect:** The bill would not directly affect governmental operations or finances.

**Local Effect:** The bill would not directly affect governmental operations or finances.

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

---

**Analysis**

**Current Law:** The Maryland Associations, Organizations, and Agents Act currently applies to athletic clubs, charitable organizations, civic leagues, cooperative housing corporations, councils of condominium unit owners, and homeowners associations.

---

**Additional Information**

**Prior Introductions:** This bill was introduced in the 1999 session as HB 913 and received an unfavorable report from the Judiciary Committee.

**Cross File:** None.

**Information Source(s):** Maryland Insurance Administration, Judiciary (Administrative Office of the Courts), Department of Legislative Services

**Fiscal Note History:** First Reader - January 28, 2000

bc/jr

---

Analysis by: Claire E. Rooney

Direct Inquiries to:  
John Rixey, Coordinating Analyst  
(410) 946-5510  
(301) 970-5510