

BY: Environmental Matters Committee

AMENDMENTS TO HOUSE BILL 287
(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in the sponsor line, strike “and Niemann” and substitute “Niemann, Kach, Glenn, and V. Clagett”; in line 2, strike “Unit” and substitute “Damage or Destruction”; in line 5, after the first “of” insert “the common elements and”; in line 7, after “condominium” insert “under certain circumstances”; in line 11, strike “the” and substitute “a certain”; strike beginning with “repealing” in line 12 down through the semicolon in line 14; in line 15, after “expense” insert “under certain circumstances”; strike beginning with “altering” in line 15 down through the semicolon in line 16; in line 18, after “deductible” insert “under certain circumstances”; in the same line, before “and” insert “requiring a contract for the initial sale of a unit and a contract for the resale of a unit to include a certain notice of the unit owner’s responsibility relating to the property insurance deductible under certain circumstances; declaring the intent of the General Assembly;”; in line 22, strike “and” and substitute a comma; in the same line, after “11-114” insert “, 11-126(b)(16) and (17), and 11-135(a)(4)(xii) and (5) and (b)”; and after line 24, insert:

“BY adding to

Article - Real Property

Section 11-126(b)(17) and 11-135(a)(6)

Annotated Code of Maryland

(2003 Replacement Volume and 2008 Supplement)”.

AMENDMENT NO. 2

On page 2, in line 2, strike “(A)”;
in the same line, after the comma insert “**AND SUBJECT TO § 11-114 OF THIS SUBTITLE,**”;
strike in their entirety lines 6 through

(Over)

9, inclusive; and in line 31, strike “Each” and substitute “**FOR PROPERTY AND CASUALTY LOSSES TO THE COMMON ELEMENTS AND THE UNITS, EXCLUSIVE OF IMPROVEMENTS AND BETTERMENTS INSTALLED IN THE UNITS BY UNIT OWNERS OTHER THAN THE DEVELOPER, EACH**”.

On page 3, in line 26, strike “condominium” and substitute “**COMMON ELEMENTS AND THE UNITS, EXCLUSIVE OF IMPROVEMENTS AND BETTERMENTS INSTALLED IN THE UNITS BY UNIT OWNERS OTHER THAN THE DEVELOPER,**”.

AMENDMENT NO. 3

On page 3, in lines 33, 35, and 36, in each instance, strike the brackets.

On page 4, strike beginning with the comma in line 10 down through “may” in line 11; in line 11, after “not” insert “**TO**”; in the same line, strike the bracket; in the same line, strike “**UP TO \$10,000**”; in line 14, strike “**LIABILITY**” and substitute “**RESPONSIBILITY**”; in line 18, strike the brackets; and in the same line, strike “**\$10,000**”.

AMENDMENT NO. 4

On page 4, strike beginning with “Except” in line 4 down through “if” in line 5 and substitute “**IF**”.

AMENDMENT NO. 5

On page 4, in line 13, after “**OWNER**” insert “**ANNUALLY IN WRITING**”.

On page 5, after line 9, insert:

“**11-126.**”

(b) **The public offering statement required by subsection (a) of this section shall be sufficient for the purposes of this section if it contains at least the following:**

(16) A statement of whether the unit being purchased is subject to an extended lease under § 11-137 of this title, or local law, and a copy of any extended lease; [and]

(17) A WRITTEN NOTICE OF THE UNIT OWNER'S RESPONSIBILITY FOR THE COUNCIL OF UNIT OWNERS' PROPERTY INSURANCE DEDUCTIBLE AND THE AMOUNT OF THE DEDUCTIBLE; AND

[(17)] (18) Any other information required by regulation duly adopted and issued by the Secretary of State.

11-135.

(a) Except as provided in subsection (b) of this section, a contract for the resale of a unit by a unit owner other than a developer is not enforceable unless the contract of sale contains in conspicuous type a notice in the form specified in subsection (g)(1) of this section, and the unit owner furnishes to the purchaser not later than 15 days prior to closing:

(4) A certificate containing:

(xii) A description of any recreational or other facilities which are to be used by the unit owners or maintained by them or the council of unit owners, and a statement as to whether or not they are to be a part of the common elements; [and]

(5) A statement by the unit owner as to whether the unit owner has knowledge:

(i) That any alteration to the unit or to the limited common elements assigned to the unit violates any provision of the declaration, bylaws, or rules and regulations;

(Over)

(ii) Of any violation of the health or building codes with respect to the unit or the limited common elements assigned to the unit; and

(iii) That the unit is subject to an extended lease under § 11-137 of this title or under local law, and if so, a copy of the lease must be provided[.]; AND

(6) A WRITTEN NOTICE OF THE UNIT OWNER'S RESPONSIBILITY FOR THE COUNCIL OF UNIT OWNERS' PROPERTY INSURANCE DEDUCTIBLE AND THE AMOUNT OF THE DEDUCTIBLE.

(b) A contract for the resale by a unit owner other than a developer of a unit in a condominium containing less than 7 units is not enforceable unless the contract of sale contains in conspicuous type a notice in the form specified in subsection (g)(2) of this section, and the unit owner furnishes to the purchaser not later than 15 days prior to closing:

(1) A copy of the declaration (other than the plats);

(2) The bylaws;

(3) The rules and regulations of the condominium; [and]

(4) A statement by the unit owner of the unit owner's expenses during the preceding 12 months relating to the common elements; AND

(5) A WRITTEN NOTICE OF THE UNIT OWNER'S RESPONSIBILITY FOR THE COUNCIL OF UNIT OWNERS' PROPERTY INSURANCE DEDUCTIBLE AND THE AMOUNT OF THE DEDUCTIBLE."

AMENDMENT NO. 6

On page 5, before line 10, insert:

“SECTION 2. AND BE IT FURTHER ENACTED, That it is the intent of the General Assembly that this Act:

(a) Overturn the Court of Appeals ruling in Diane Anderson, et al. v. Council of Unit Owners of The Gables on Tuckerman Condominium, et al., 404 Md. 560 (2008);

(b) Place an affirmative duty on the council of unit owners of a condominium association to:

(1) Repair damage or destruction to the condominium that originated in a unit; and

(2) Purchase property insurance that reflects this duty; and

(c) Make the cost of the property insurance purchased by the council of unit owners of a condominium association under this Act a common expense, except in the case of damage or destruction originating from a unit, the payment of the property insurance deductible shall be the responsibility, up to the maximum amount provided under § 11-114(g) of the Real Property Article, of the owner of the unit where the cause of the damage or destruction originated.”;

in line 10, strike “2.” and substitute “3.”; and in line 11, strike “October” and substitute “June”.