

SENATE BILL 332

N1
HB 449/25 – ENT

6lr1721

By: Senator Kramer

Introduced and read first time: January 23, 2026

Assigned to: Judicial Proceedings

A BILL ENTITLED

- 1 1 AN ACT concerning
- 2 2 **Condominiums – Property Insurance Deductibles – Unit Owner Responsibility**
- 3 3 FOR the purpose of increasing the maximum amount of the council of unit owners' property
- 4 4 insurance deductible for which a unit owner is responsible under certain
- 5 5 circumstances; providing that a contract for the resale of a condominium unit by a
- 6 6 unit owner other than the developer is not enforceable unless it contains a written
- 7 7 notice of the unit owner's responsibility for the amount of the deductible where
- 8 8 damage or destruction originates from a unit; and generally relating to condominium
- 9 9 unit owners' responsibility for the council of unit owners' insurance deductibles.
- 10 10 BY repealing and reenacting, without amendments,
- 11 11 Article – Real Property
- 12 12 Section 11–114(a) and (i)
- 13 13 Annotated Code of Maryland
- 14 14 (2023 Replacement Volume and 2025 Supplement)
- 15 15 BY repealing and reenacting, with amendments,
- 16 16 Article – Real Property
- 17 17 Section 11–114(g) and 11–135(a)(6) and (b)(5)
- 18 18 Annotated Code of Maryland
- 19 19 (2023 Replacement Volume and 2025 Supplement)

20 20 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,

21 21 That the Laws of Maryland read as follows:

22 22 **Article – Real Property**

23 23 11–114.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



11 (ii) For detached units located within a condominium composed
12 entirely of similar detached units, on the common elements; and

18 (g) (1) Subject to the applicable coverage specified under subsection (a)(1) of
19 this section, any portion of the common elements and the units, exclusive of improvements
20 and betterments installed in the units by unit owners other than the developer, damaged
21 or destroyed shall be repaired or replaced promptly by the council of unit owners unless:

22 (i) The condominium is terminated;

25 (iii) 80 percent of the unit owners, including every owner of a unit or
26 assigned limited common element which will not be rebuilt, vote not to rebuild.

3. The council of unit owners' property insurance deductible amount exceeding the **[\$10,000] \$25,000** responsibility of the unit owner is a common expense.

13 (iv) In the same manner as provided under § 11–110 of this title, the
14 council of unit owners may make an annual assessment against the unit owner responsible
15 under subparagraph (iii) of this paragraph.

16 (3) If the damaged or destroyed portion of the condominium is not repaired
17 or replaced:

18 (i) The insurance proceeds attributable to the damaged common
19 elements shall be used to restore the damaged area to a condition compatible with the
20 remainder of the condominium;

21 (ii) The insurance proceeds attributable to units and limited
22 common elements which are not rebuilt shall be distributed to the owners of those units
23 and the owners of the units to which those limited common elements were assigned; and

24 (iii) The remainder of the proceeds shall be distributed to all the unit
25 owners in proportion to their percentage interest in the common elements.

31 (ii) Notwithstanding the provisions of this subsection, § 11-123 of
32 this title governs the distribution of insurance proceeds if the condominium is terminated.

1 11-135.

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

7 (6) A written notice of the unit owner's responsibility for the council of unit
8 owners' property insurance deductible and the amount of the deductible, **INCLUDING THE**
9 **UNIT OWNER'S RESPONSIBILITY WHEN DAMAGE OR DESTRUCTION ORIGINATES**
10 **FROM A UNIT.**

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

16 (5) A written notice of the unit owner's responsibility for the council of unit
17 owners' property insurance deductible and the amount of the deductible, **INCLUDING THE**
18 **UNIT OWNER'S RESPONSIBILITY WHEN DAMAGE OR DESTRUCTION ORIGINATES**
19 **FROM A UNIT.**

20 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
21 October 1, 2026.