

# 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 AN ACT concerning

## 2 Condominiums – Property Insurance Deductibles – Unit Owner Responsibility

3 FOR the purpose of increasing the maximum amount of the council of unit owners' property  
4 insurance deductible for which a unit owner is responsible under certain  
5 circumstances; providing that a contract for the resale of a condominium unit by a  
6 unit owner other than the developer is not enforceable unless it contains a written  
7 notice of the unit owner's responsibility for the amount of the deductible where  
8 damage or destruction originates from a unit; and generally relating to condominium  
9 unit owners' responsibility for the council of unit owners' insurance deductibles.

10 BY repealing and reenacting, without amendments,

## 11 Article – Real Property

12 Section 11–114(a) and (i)

13 Annotated Code of Maryland

14 (2023 Replacement Volume and 2025 Supplement)

15 BY repealing and reenacting, with amendments,

16 Article – Real Property

17 Section 11–114(g) and 11–135(a)(6) and (b)(5)

18 Annotated Code of Maryland

19 (2023 Replacement Volume and 2025 Supplement)

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

21 That the Laws of Maryland read as follows:

## Article – Real Property

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.

(2) (i) 1. The cost of repair or replacement in excess of insurance proceeds and reserves is a common expense.

(iii) 1. If the cause of any damage to or destruction of any portion of the condominium originates from a unit, the owner of the unit where the cause of the damage or destruction originated is responsible for the council of unit owners' property insurance deductible not to exceed [\$10,000] **\$25,000**.

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.