

SENATE BILL 633

N1

6lr3064
CF 6lr3073

By: **Senator Ready**

Introduced and read first time: February 5, 2026

Assigned to: Judicial Proceedings

A BILL ENTITLED

1 AN ACT concerning

2 **Condominiums – Unit Owner Responsibility for Damage or Destruction**

3 FOR the purpose of providing that a certain unit owner is responsible for the full cost of
4 repair, replacement, or restoration for certain portions of a condominium under
5 certain circumstances; and generally relating to condominium unit owners'
6 responsibility for damage or destruction.

7 BY repealing and reenacting, with amendments,
8 Article – Real Property
9 Section 11–114(g)
10 Annotated Code of Maryland
11 (2023 Replacement Volume and 2025 Supplement)

12 BY repealing and reenacting, without amendments,
13 Article – Real Property
14 Section 11–114(i)
15 Annotated Code of Maryland
16 (2023 Replacement Volume and 2025 Supplement)

17 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
18 That the Laws of Maryland read as follows:

19 **Article – Real Property**

20 11–114.

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

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



(i) The condominium is terminated;

(ii) Repair or replacement would be illegal under any State or local health or safety statute or ordinance; or

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

(2) (i) 1. **[The] EXCEPT AS PROVIDED IN SUBPARAGRAPH (III) OF THIS PARAGRAPH, THE** cost of repair or replacement in excess of insurance proceeds and reserves is a common expense.

2. A property insurance deductible is not a cost of repair or replacement in excess of insurance proceeds.

(ii) If the cause of any damage to or destruction of any portion of the condominium originates from the common elements or an event outside of the condominium units and common elements, the council of unit owners' property insurance deductible 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] FULL COST OF REPAIR OR REPLACEMENT OF THE DAMAGED OR DESTROYED PORTION OF THE CONDOMINIUM.**

[2.] (IV) The council of unit owners shall inform each unit owner annually in writing of:

1. THE UNIT OWNER'S RESPONSIBILITY FOR THE FULL COST OF REPAIR OR REPLACEMENT FOR DAMAGE OR DESTRUCTION THAT ORIGINATED FROM THE OWNER'S UNIT; AND

2. A. The unit owner's responsibility for A PORTION OF the council of unit owners' property insurance deductible IF DAMAGE OR DESTRUCTION OF ANY PORTION OF THE CONDOMINIUM ORIGINATES FROM THE COMMON ELEMENTS OR AN EVENT OUTSIDE THE CONDOMINIUM; and

B. The amount of the deductible.

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

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

1 (3) **(I)** If the **DAMAGE OR DESTRUCTION TO A PORTION OF THE**
2 **CONDOMINIUM ORIGINATED FROM THE COMMON ELEMENTS OR AN EVENT OUTSIDE**
3 **THE CONDOMINIUM AND THE** damaged or destroyed portion of the condominium is not
4 repaired or replaced:

5 [(i)] **1.** The insurance proceeds attributable to the damaged
6 common elements shall be used to restore the damaged area to a condition compatible with
7 the remainder of the condominium;

8 [(ii)] **2.** The insurance proceeds attributable to units and limited
9 common elements which are not rebuilt shall be distributed to the owners of those units
10 and the owners of the units to which those limited common elements were assigned; and

11 [(iii)] **3.** The remainder of the proceeds shall be distributed to all
12 the unit owners in proportion to their percentage interest in the common elements.

13 **(II) IF THE DAMAGE OR DESTRUCTION OF A PORTION OF THE**
14 **CONDOMINIUM ORIGINATED IN A UNIT AND THE DAMAGED OR DESTROYED PORTION**
15 **OF THE CONDOMINIUM IS NOT REPAIRED OR REPLACED:**

16 **1. THE DAMAGED OR DESTROYED AREA SHALL BE**
17 **RESTORED TO A CONDITION COMPATIBLE WITH THE REMAINDER OF THE**
18 **CONDOMINIUM; AND**

19 **2. THE OWNER OF THE UNIT WHERE THE DAMAGE OR**
20 **DESTRUCTION ORIGINATED IS RESPONSIBLE FOR THE COST TO RESTORE THE**
21 **DAMAGED AREA.**

22 (4) (i) If the unit owners vote not to rebuild any unit, that unit's entire
23 common element interest, votes in the council of unit owners, and common expense liability
24 are automatically reallocated upon the vote as if the unit had been condemned under §
25 11–112 of this title, and the council of unit owners promptly shall prepare, execute, and
26 record an amendment to the declaration reflecting the reallocations.

27 (ii) Notwithstanding the provisions of this subsection, § 11–123 of
28 this title governs the distribution of insurance proceeds if the condominium is terminated.

29 (i) The provisions of this section do not apply to a condominium all of whose units
30 are intended for nonresidential use.

31 **SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect**
32 **October 1, 2026.**