

# SENATE BILL 446

N1

5lr1917  
CF HB 449

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By: **Senator Beidle**

Introduced and read first time: January 21, 2025

Assigned to: Judicial Proceedings

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## 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; and generally relating to condominium unit owners' responsibility for  
6 the council of unit owners' insurance deductibles.

7 BY repealing and reenacting, without amendments,

8 Article – Real Property

9 Section 11–114(a) and (i)

10 Annotated Code of Maryland

11 (2023 Replacement Volume and 2024 Supplement)

12 BY repealing and reenacting, with amendments,

13 Article – Real Property

14 Section 11–114(g)

15 Annotated Code of Maryland

16 (2023 Replacement Volume and 2024 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 (a) Commencing not later than the time of the first conveyance of a unit to a  
22 person other than the developer, the council of unit owners shall maintain, to the extent  
23 reasonably available:

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (1) Property insurance against risks of direct physical loss commonly  
2 insured against in amounts determined by the council of unit owners, but not less than any  
3 amounts specified in the declaration or bylaws:

4 (i) For attached units, multifamily dwelling units, or detached units  
5 located within a condominium not composed entirely of similar detached units, on the  
6 common elements and units, exclusive of improvements and betterments installed in units  
7 by unit owners other than the developer; and

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

10 (2) Comprehensive general liability insurance, including medical  
11 payments insurance, in an amount determined by the council of unit owners, but not less  
12 than any amount specified in the declaration or bylaws, covering occurrences commonly  
13 insured against for death, bodily injury, and property damage arising out of or in connection  
14 with the use, ownership, or maintenance of the common elements.

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

19 (i) The condominium is terminated;

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

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

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

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

28 (ii) If the cause of any damage to or destruction of any portion of the  
29 condominium originates from the common elements or an event outside of the condominium  
30 units and common elements, the council of unit owners' property insurance deductible is a  
31 common expense.

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

