

SB0201/648479/1

BY: Judicial Proceedings Committee

AMENDMENTS TO SENATE BILL 201
(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in the sponsor line, strike “and Stone” and substitute “Stone, Forehand, and Jacobs”.

AMENDMENT NO. 2

On page 1, in line 2, strike “Required Insurance Coverage” and substitute “Repair or Replacement of Damage or Destruction by Council of Unit Owners”; in line 4, after “of” insert “the common elements and”; in line 5, after “owners” insert “other than the developer”; in line 6, after “condominium” insert “under certain circumstances”; strike beginning with “clarifying” in line 6 down through “changes” in line 9 and substitute “clarifying the coverage of certain property insurance required to be maintained by a council of unit owners; providing that the owner of the unit where the cause of certain damage or destruction originated is responsible for a certain insurance deductible up to a certain amount; repealing a condition that a certain responsibility of the unit owner be provided in the bylaws; repealing a provision that the council of unit owners' property insurance deductible is a common expense under certain circumstances; requiring the council of unit owners to inform unit owners of certain responsibilities relating to the property insurance deductible under certain circumstances; 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 13, 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 15, insert:

“BY adding to

Article - Real Property

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Section 11-126(b)(17) and 11-135(a)(6)
Annotated Code of Maryland
(2003 Replacement Volume and 2008 Supplement)".

AMENDMENT NO. 3

On page 1, in line 20, strike all the brackets; in the same line, strike the first comma; and strike beginning with "OR" in line 20 down through "TITLE" in line 21 and substitute "AND SUBJECT TO § 11-114 OF THIS SUBTITLE".

On page 2, in line 5, after "owners" insert "OTHER THAN THE DEVELOPER"; and in line 21, 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, strike beginning with "condominium" in line 12 down through "IS" in line 13 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. 4

On page 3, strike beginning with "Except" in line 27 down through "if" in line 28 and substitute "IF"; strike beginning with "the" in line 29 down through "that" in line 31; strike beginning with the comma in line 33 down through "may" in line 34; and in line 34, after "not" insert "TO".

AMENDMENT NO. 5

On page 3, after line 34, insert:

"2. THE COUNCIL OF UNIT OWNERS SHALL INFORM EACH UNIT OWNER ANNUALLY IN WRITING OF:

A. THE UNIT OWNER'S RESPONSIBILITY FOR THE COUNCIL OF UNIT OWNERS' PROPERTY INSURANCE DEDUCTIBLE; AND

B. THE AMOUNT OF THE DEDUCTIBLE.”

On page 4, after line 28, 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:

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(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;

(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 4, before line 29, 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 that in the case of damage or destruction originating from a unit, the payment of the property

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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 29, strike “2.” and substitute “3.”; and in line 30, strike “October” and substitute “June”.