N1 5lr2210

By: Delegate Bates

Introduced and read first time: February 9, 2005

Assigned to: Environmental Matters

A BILL ENTITLED

I	AN	ACT	concerning
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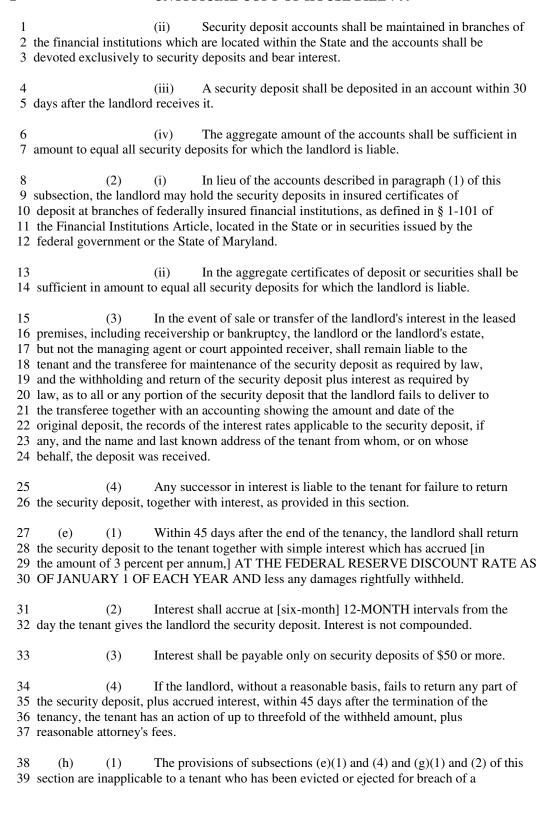
2 Real Property - Residential Leases - Interest on Security Deposits

- 3 FOR the purpose of altering the annual interest rate paid on a security deposit under
- 4 a residential lease after the end of a tenancy; altering the annual interest rate
- 5 paid on a security deposit under a residential lease prior to the termination of a
- 6 tenancy under certain circumstances; altering the interval at which interest
- shall accrue on a security deposit under a residential lease; providing for the
- 8 application of this Act; and generally relating to interest on security deposits
- 9 under residential leases.
- 10 BY repealing and reenacting, without amendments,
- 11 Article Real Property
- 12 Section 8-203(d)
- 13 Annotated Code of Maryland
- 14 (2003 Replacement Volume and 2004 Supplement)
- 15 BY repealing and reenacting, with amendments,
- 16 Article Real Property
- 17 Section 8-203(e) and (h)
- 18 Annotated Code of Maryland
- 19 (2003 Replacement Volume and 2004 Supplement)
- 20 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
- 21 MARYLAND, That the Laws of Maryland read as follows:

22 Article - Real Property

- 23 8-203.
- 24 (d) (1) (i) The landlord shall maintain all security deposits in federally
- 25 insured financial institutions, as defined in § 1-101 of the Financial Institutions
- 26 Article, which do business in the State.

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27 October 1, 2005.

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1 condition or covenant of a lease prior to the termination of the tenancy or who has 2 abandoned the premises prior to the termination of the tenancy. 3 (2) A tenant specified in paragraph (1) of this subsection may 4 demand return of the security deposit by giving written notice by first-class mail to 5 the landlord within 45 days of being evicted or ejected or of abandoning the premises. The notice shall specify the tenant's new address. 6 (ii) 7 (iii) The landlord, within 45 days of receipt of such notice, shall 8 present, by first-class mail to the tenant, a written list of the damages claimed under subsection (f)(1) of this section together with a statement of the costs actually 10 incurred and shall return to the tenant the security deposit together with simple 11 interest which has accrued EITHER in the amount of 3 percent per annum, OR AT THE 12 FEDERAL RESERVE DISCOUNT RATE AS OF JANUARY 1 OF EACH YEAR, WHICHEVER IS 13 LESS, AND less any damages rightfully withheld. 14 If a landlord fails to send the list of damages required by 15 paragraph (2) of this subsection, the right to withhold any part of the security deposit 16 for damages is forfeited. 17 If a landlord fails to return the security deposit as required by paragraph (2) of this subsection, the tenant has an action of up to threefold of the 18 withheld amount, plus reasonable attorney's fees. 20 (4) Except to the extent specified, this subsection may not be interpreted 21 to alter the landlord's duties under subsections (e) and (g) of this section. 22 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall be 23 construed only prospectively and may not be applied or interpreted to have any effect 24 on or application to any residential lease entered into before the effective date of this 25 Act.

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect