



Bill No: SB 725—Real Property - Residential Leases - Renter's Insurance Requirement

Committee: Judicial Proceedings

Date: 2/20/2024

Position: Favorable with Amendments

The Apartment and Office Building Association of Metropolitan Washington (AOBA) represents members that own or manage more than 23 million square feet of commercial office space and 133,000 apartment rental units in Montgomery and Prince George's Counties.

Senate Bill 725 requires a residential lease to include a requirement that a resident must maintain a renter's insurance policy that includes the housing provider as a beneficiary, an insured party, or an additional insured. The bill also requires a housing provider to acquire an insurance policy on behalf of a resident and charge the insurance premium to the resident. However, the housing provider may not be the beneficiary, an insured party, or an additional insured under the policy.

AOBA appreciates the bill sponsor for listening to the industry's concerns and making amendments to the bill. With the amendments, it will remove **Page 4, Lines 25-34**, which would have required a housing provider to acquire renter's insurance for a resident and also remove language precluding a housing provider from being listed as an insured party. The amendment also adds language to mandate a resident provide the housing provider an active declaration page of a renters insurance policy at the time of signing the lease and lease renewal. AOBA supports the intent of this legislation as members already require in their lease for a resident to have an insurance policy for personal property and liability coverage during their tenancy. AOBA recommends the following amendment:

- On page 3, remove lines 27 through 33 in its entirety.

For these reasons AOBA requests a favorable with amendments report on SB 725. For further information contact Ryan Washington, AOBA Manager of Government Affairs, at 202-770-7713 or rashington@aoba-metro.org .