



Senate Bill 725

Committee: Judicial Proceedings

Date: February 20, 2024

Position: Favorable with Amendments

The Maryland Multi-Housing Association (MMHA) is a professional trade association established in 1996, whose members house more than 538,000 residents of the State of Maryland. MMHA's membership consists of owners and managers of more than 210,000 rental housing homes in over 958 apartment communities and more than 250 associate member companies who supply goods and services to the multi-housing industry.

Senate Bill 725 ("SB 725") requires a residential lease to include a requirement that a tenant hold a renter's insurance policy for their person property and completely prohibits a housing provider from including any type of requirement for the insurance policy. Additionally, in cases where a tenant refuses to obtain an insurance policy, SB 725 would require the housing provider to obtain an insurance policy on behalf of the tenant.

Housing providers have a vested interest in covering damages and losses to their property, which may be covered by a renter's insurance policy. For example, housing providers may currently require an insurance policy to include a certain amount of coverage for potential damage to the property. For this reason, Maryland law should allow housing providers to require certain stipulations on renter's insurance coverage as a precondition to leasing a residence.

In addition to the complete prohibition on insurance requirements, MMHA is concerned with the bill's requirement for a housing provider to obtain insurance on behalf of tenants who choose not to comply with the bill's requirements for tenants to obtain a policy. Simply stated, housing providers shouldn't be tasked with obtaining an insurance policy to cover renter's personal belongings when a tenant fails to comply. Additionally, SB 725 fails to classify insurance premiums as rent, which means that housing providers will have little to no realistic recourse when tenants don't pay monthly premiums on the insurance that SB 725 would require housing providers to obtain on behalf of tenants that choose not to comply.

In sum, housing providers should have the right to decide whether a certain amount of insurance coverage is necessary to lease a property, and housing providers shouldn't be forced to obtain insurance coverage for tenants that choose not to comply with requirements set forth in the bill. For these reasons, MMHA respectfully requests the following amendments to SB 725.

Amendments:

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

On page 4, remove lines 25 through 34 in their entirety.

Please contact Grason Wiggins at (912) 687-5745 with any questions.