

Department of Legislative Services
Maryland General Assembly
2024 Session

FISCAL AND POLICY NOTE
First Reader

Senate Bill 725

(Senator Benson)

Judicial Proceedings

Real Property - Residential Leases - Renter's Insurance Requirement

This bill requires a residential lease to include a requirement for a tenant to maintain a renter's insurance policy. A lease may not include a requirement for the tenant to maintain a renter's insurance policy that (1) is from a particular insurer or list of insurers; (2) includes the landlord as a beneficiary, an insured party, or an additional insured; or (3) meets any other requirements set by the landlord. If a tenant fails to comply with the requirement to maintain renter's insurance, a landlord must acquire a policy on behalf of the tenant. A landlord may not be the beneficiary, an insured party, or an additional insured of a policy acquired under these circumstances; however, a landlord may charge the premium to the tenant until the tenant acquires a policy.

Fiscal Summary

State Effect: The bill is not anticipated to materially affect State operations or finances.

Local Effect: The bill is not anticipated to materially affect local government operations or finances.

Small Business Effect: Minimal.

Analysis

Current Law:

Residential Lease Terms

Any landlord who offers five or more dwelling units in the State for rent may not rent a unit without using a written lease. The lease must include (1) a statement that the premises

will be delivered in a livable condition, with reasonable safety, if that is the agreement, or if both parties agree otherwise, a statement of the agreement concerning the condition of the premises; (2) the landlord's and the tenant's specific obligations for heat, gas, electricity, water, and repair of the premises; and (3) a receipt for the security deposit, as specified.

Prohibited Residential Lease Provisions

Among other requirements regarding leases, a landlord may not use a lease or form of lease containing any provision that, among others:

- has the tenant agree to waive/forego any right or remedy provided by applicable law;
- imposes a penalty for the late payment of rent in excess of specified thresholds;
- authorizes the landlord to take possession of the leased premises or the tenant's personal property unless the lease has been terminated by action of the parties or by operation of law, and the personal property has been abandoned by the tenant without the benefit of a formal legal process;
- is against public policy and void, as specified;
- requires the tenant to accept notice of rent increases by electronic delivery; or
- limits the ability of a tenant to summon the assistance of law enforcement or emergency services or penalizes a tenant solely for summoning the assistance of law enforcement or emergency services.

Additional Information

Recent Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: HB 564 (Delegate Taveras, *et al.*) - Environment and Transportation.

Information Source(s): Office of the Attorney General (Consumer Protection Division); Judiciary (Administrative Office of the Courts); Maryland Insurance Administration; Department of Legislative Services

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js/jkb

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