

**By: Delegate Arnick**

Requested: October 11, 1995

Introduced and read first time: January 10, 1996

Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Landlords and Mobile Home Park Owners - Security Deposits - Interest**

3 FOR the purpose of altering the rate of interest payable by certain landlords on security  
4 deposits to certain residential tenants; altering the rate of interest payable by  
5 certain mobile home park owners on security deposits to certain residents; making  
6 stylistic changes; providing for the application of this Act; and generally relating to  
7 the interest payable on certain security deposits.

8 BY repealing and reenacting, with amendments,  
9 Article - Real Property  
10 Section 8-203(f) and (i)(2) and 8A-1001(f)  
11 Annotated Code of Maryland  
12 (1988 Replacement Volume and 1995 Supplement)

13 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
14 MARYLAND, That the Laws of Maryland read as follows:

15 **Article - Real Property**

16 8-203.

17 (f) (1) Within 45 days after the end of the tenancy, the landlord shall return the  
18 security deposit to the tenant together with simple interest which has accrued in the  
19 amount of [4 percent per annum] 2.5 PERCENT PER YEAR, less any damages rightfully  
20 withheld.

21 (2) Interest shall accrue at six-month intervals from the day the tenant gives  
22 the landlord the security deposit. Interest is not compounded.

23 (3) Interest shall be payable only on security deposits of \$50 or more.

24 (4) If the landlord, without a reasonable basis, fails to return any part of the  
25 security deposit, plus accrued interest, within 45 days after the termination of the  
26 tenancy, the tenant has an action of up to threefold of the withheld amount, plus  
27 reasonable attorney's fees.

28 (i) (2) A tenant specified in paragraph (1) may demand return of the security  
29 deposit by giving written notice by first-class mail to the landlord within 45 days of being

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1 evicted or ejected or of abandoning the premises. The notice shall specify the tenant's  
2 new address. The landlord, within 30 days of receipt of such notice, shall present, by  
3 first-class mail to the tenant, a written list of the damages claimed under subsection (g)(i)  
4 together with a statement of the costs actually incurred. Within 45 days of receipt of the  
5 notice, the landlord shall return to the tenant the security deposit together with simple  
6 interest which has accrued in the amount of [4 percent per annum] 2.5 PERCENT PER  
7 YEAR, less any damages rightfully withheld.

8 8A-1001.

9 (f) (1) Within 45 days after the end of the tenancy, the park owner shall return  
10 the security deposit to the resident together with simple interest which has accrued in the  
11 amount of [4 percent per annum] 2.5 PERCENT PER YEAR less any damages rightfully  
12 withheld.

13 (2) Interest shall accrue at 6-month intervals from the day the resident gives  
14 the park owner the security deposit. Interest is not compounded.

15 (3) Interest shall be payable only on security deposits of \$50 or more.

16 (4) If the park owner, without a reasonable basis, fails to return any part of  
17 the security deposit, plus accrued interest, within 45 days after the termination of the  
18 tenancy, the resident has an action of up to threefold of the withheld amount, plus  
19 reasonable attorney's fees.

20 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall be  
21 construed only prospectively and may not be applied or interpreted to have any effect on  
22 or application to any tenancy created or renewed before the effective date of this Act.

23 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall apply to  
24 any tenancy created or renewed on or after the effective date of this Act.

25 SECTION 4. AND BE IT FURTHER ENACTED, That this Act shall take effect  
26 October 1, 1996.