SENATE BILL 436

Unofficial Copy N1 HB 996/02 - ECM 2003 Regular Session 3lr2246 CF HB 217

By: Senator Gladden
Introduced and read first time: January 31, 2003
Assigned to: Judicial Proceedings

A BILL ENTITLED

1 AN ACT concerning

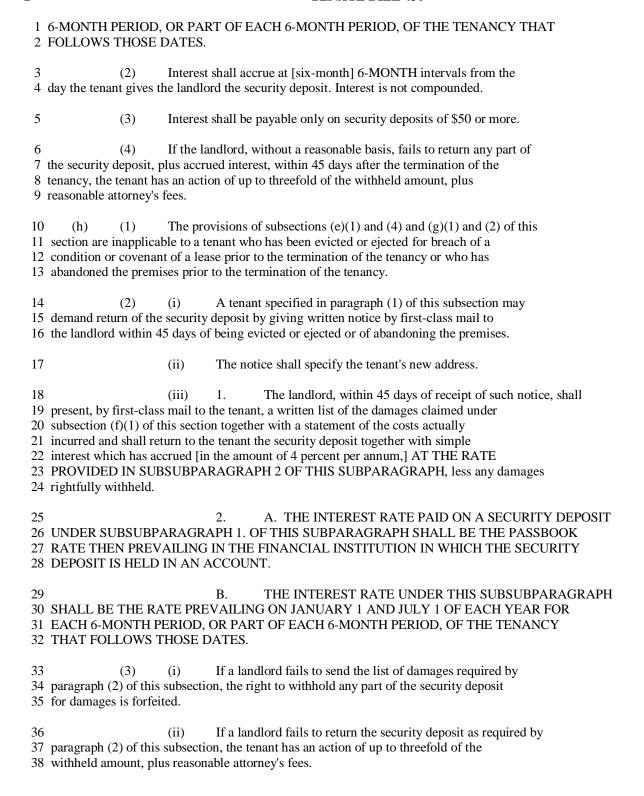
2 Real Property - Residential Leases - Interest on Security Deposits

- 3 FOR the purpose of altering the interest rate paid on a security deposit under a
- 4 residential lease at the end of a tenancy; altering the interest rate paid on a
- security deposit under a residential lease when an evicted or ejected tenant
- 6 makes a timely written demand for return of the security deposit; requiring the
- 7 interest rate to be adjusted at certain times; making a stylistic change;
- 8 providing for the application of this Act; and generally relating to security
- 9 deposits under residential leases.
- 10 BY repealing and reenacting, with amendments,
- 11 Article Real Property
- 12 Section 8-203(e) and (h)
- 13 Annotated Code of Maryland
- 14 (1996 Replacement Volume and 2002 Supplement)
- 15 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
- 16 MARYLAND, That the Laws of Maryland read as follows:

17 Article - Real Property

18 8-203.

- 19 (e) (1) Within 45 days after the end of the tenancy, the landlord shall
- 20 return the security deposit to the tenant together with simple interest which has
- 21 accrued [in the amount of 4 percent per annum,] AT THE RATE PROVIDED IN
- 22 SUBPARAGRAPH (II) OF THIS PARAGRAPH, less any damages rightfully withheld.
- 23 (II) 1. THE INTEREST RATE PAID ON A SECURITY DEPOSIT
- 24 UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH SHALL BE THE PASSBOOK RATE
- 25 THEN PREVAILING IN THE FINANCIAL INSTITUTION IN WHICH THE SECURITY
- 26 DEPOSIT IS HELD IN AN ACCOUNT.
- 27 2. THE INTEREST RATE UNDER THIS SUBPARAGRAPH SHALL
- 28 BE THE RATE PREVAILING ON JANUARY 1 AND JULY 1 OF EACH YEAR FOR EACH



- 1 (4) Except to the extent specified, this subsection may not be interpreted 2 to alter the landlord's duties under subsections (e) and (g) of this section.
- 3 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall be 4 construed to apply only prospectively and may not be applied or interpreted to have
- 5 any effect on or application to any residential lease entered into before the effective
- 6 date of this Act.
- 7 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take 8 effect October 1, 2003.