

**Department of Legislative Services**  
Maryland General Assembly  
2003 Session

**FISCAL AND POLICY NOTE**

House Bill 637 (Delegate Owings)  
Environmental Matters

---

**Real Property - Residential Lease - Application Fee**

---

This bill increases the amount of the fee a landlord may charge a prospective tenant in addition to a security deposit, from \$25 to \$50, without triggering a refund provision. If a landlord requires a prospective tenant to pay fees that exceed \$50, in addition to a security deposit, the landlord must return the fees or be liable for twice the amount of the fees in damages, except that portion of the fees expended for investigative reports or other expenses arising out of the application. A landlord must return any portion of the fees not actually spent on the prospective tenant's behalf.

The bill applies prospectively and does not apply to residential lease applications made before the bill's July 1, 2003 effective date.

---

**Fiscal Summary**

**State Effect:** Assuming that the Consumer Protection Division within the Office of the Attorney General receives fewer than 50 complaints per year stemming from this bill, any additional workload could be handled with existing resources.

**Local Effect:** None.

**Small Business Effect:** Minimal.

---

**Analysis**

**Current Law:** For nonseasonal and noncondominium rentals with five or more dwelling units for rent on one parcel or at one location, an application for a lease must contain: (1)

a statement that explains the liabilities which the prospective tenant incurs upon signing the application; and (2) a disclosure explaining any fees in addition to a security deposit which the prospective tenant must pay. If a landlord requires a prospective tenant to pay fees that exceed \$25, in addition to a security deposit, the landlord must return the fees or be liable for twice the amount of the fees in damages, except that portion of the fees expended for a credit check or other expenses arising out of the application. A landlord must return any portion of the fees not actually spent on the tenant's behalf. The fees must be returned within 15 days following occupancy or written communication that no tenancy will occur.

---

### **Additional Information**

**Prior Introductions:** A similar bill, HB 449, was introduced in the 2002 session and received an unfavorable report from the House Economic Matters Committee.

**Cross File:** None.

**Information Source(s):** Office of the Attorney General (Consumer Protection Division), Department of Legislative Services

**Fiscal Note History:** First Reader - March 4, 2003  
ncs/jr

---

Analysis by: Ryan Wilson

Direct Inquiries to:  
(410) 946-5510  
(301) 970-5510