

Department of Legislative Services
Maryland General Assembly
2005 Session

FISCAL AND POLICY NOTE

Senate Bill 480

(Senators Garagiola and Haines)

Judicial Proceedings

Environmental Matters

Real Property - Mobile Home Park Owners - Interest on Security Deposits

This bill lowers the amount of interest a mobile home park owner must pay to a resident upon return of the resident's security deposit from 4% to 3% per annum.

Fiscal Summary

State Effect: Assuming that the Consumer Protection Division 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: Generally, a mobile home park owner is required to pay 4% simple interest, accruing at six-month intervals, on a resident's security deposit and to maintain all security deposits in a banking or savings institution in the State.

Background: Chapter 2 of 1973 imposed the duty on a landlord to pay interest on a tenant's security deposit at 3% simple interest, accruing at six-month intervals. Chapter 536 of 1980 increased the interest rate that must be paid on a security deposit from 3% to 4%. Chapter 843 of 1980, the Maryland Mobile Home Parks Act of 1980 established the current 4% interest requirement for mobile home park owners. Chapter 369 of 2004 lowered the required interest rate for a tenant's security deposit held by a landlord from 4% to 3%.

Additional Information

Prior Introductions: None.

Cross File: HB 637 (Delegate Barve) – Environmental Matters.

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

Fiscal Note History: First Reader - February 22, 2005
n/jr

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