

# HOUSE BILL 521

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By: **Delegates Stocksdale, Aumann, Afzali, Bates, Cluster, Elliott, Frank, Guzzone, Hough, Krebs, McComas, McDermott, W. Miller, Otto, Schulz, Vitale, and Wood**

Introduced and read first time: February 2, 2012

Assigned to: Environmental Matters

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## A BILL ENTITLED

1 AN ACT concerning

2 **Real Property – Residential and Mobile Home Park Leases – Interest on**  
3 **Security Deposits**

4 FOR the purpose of altering the annual interest rate paid on a security deposit under  
5 a residential lease after the end of a tenancy; altering the annual interest rate  
6 paid on a security deposit under a residential lease prior to the termination of a  
7 tenancy under certain circumstances; altering the annual interest rate paid by a  
8 mobile home park owner on a security deposit at the end of a tenancy; providing  
9 for the termination of this Act; and generally relating to the interest rate paid  
10 on a security deposit for a residential or mobile home park lease.

11 BY repealing and reenacting, with amendments,  
12 Article – Real Property  
13 Section 8–203(e) and (h) and 8A–1001(f)  
14 Annotated Code of Maryland  
15 (2010 Replacement Volume and 2011 Supplement)

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

18 **Article – Real Property**

19 8–203.

20 (e) (1) Within 45 days after the end of the tenancy, the landlord shall  
21 return the security deposit to the tenant together with simple interest which has  
22 accrued in the amount of [3] 1 percent per annum, less any damages rightfully  
23 withheld.

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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

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

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

8 (h) (1) The provisions of subsections (e)(1) and (4) and (g)(1) and (2) of this  
9 section are inapplicable to a tenant who has been evicted or ejected for breach of a  
10 condition or covenant of a lease prior to the termination of the tenancy or who has  
11 abandoned the premises prior to the termination of the tenancy.

12 (2) (i) A tenant specified in paragraph (1) of this subsection may  
13 demand return of the security deposit by giving written notice by first-class mail to  
14 the landlord within 45 days of being evicted or ejected or of abandoning the premises.

15 (ii) The notice shall specify the tenant's new address.

16 (iii) The landlord, within 45 days of receipt of such notice, shall  
17 present, by first-class mail to the tenant, a written list of the damages claimed under  
18 subsection (f)(1) of this section together with a statement of the costs actually incurred  
19 and shall return to the tenant the security deposit together with simple interest which  
20 has accrued in the amount of [3] 1 percent per annum, less any damages rightfully  
21 withheld.

22 (3) (i) If a landlord fails to send the list of damages required by  
23 paragraph (2) of this subsection, the right to withhold any part of the security deposit  
24 for damages is forfeited.

25 (ii) If a landlord fails to return the security deposit as required  
26 by paragraph (2) of this subsection, the tenant has an action of up to threefold of the  
27 withheld amount, plus reasonable attorney's fees.

28 (4) Except to the extent specified, this subsection may not be  
29 interpreted to alter the landlord's duties under subsections (e) and (g) of this section.

30 8A-1001.

31 (f) (1) Within 45 days after the end of the tenancy, the park owner shall  
32 return the security deposit to the resident together with simple interest which has  
33 accrued in the amount of [3] 1 percent per annum less any damages rightfully  
34 withheld.

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

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

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

8           SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
9 October 1, 2012. It shall remain effective for a period of 3 years and, at the end of  
10 September 30, 2015, with no further action required by the General Assembly, this Act  
11 shall be abrogated and of no further force and effect.