SENATE BILL 725

N1

4lr3023
CF HB 564

By: **Senator Benson**
Introduced and read first time: January 31, 2024
Assigned to: Judicial Proceedings

A BILL ENTITLED

1 AN ACT concerning

2 **Real Property – Residential Leases – Renter's Insurance Requirement**

3 FOR the purpose of requiring a residential lease to include a requirement that a tenant
4   hold a renter's insurance policy; prohibiting a lease from containing certain
5   requirements regarding a renter's insurance policy; requiring a landlord to acquire
6   a renter's insurance policy on behalf of a tenant under certain circumstances; and
7   generally relating to a renter's insurance requirement for residential leases.

8 BY repealing and reenacting, without amendments,
9   Article – Real Property
10   Section 8–201
11   Annotated Code of Maryland
12   (2023 Replacement Volume)

13 BY repealing and reenacting, with amendments,
14   Article – Real Property
15   Section 8–208
16   Annotated Code of Maryland
17   (2023 Replacement Volume)

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

20   **Article – Real Property**

21 8–201.

22   (a)   This subtitle is applicable only to residential leases unless otherwise provided.

23   (b)   This subtitle does not apply to a tenancy arising after the sale of
24 owner–occupied residential property where the seller and purchaser agree that the seller

EXPLANATION: **CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.**
    [Brackets] indicate matter deleted from existing law.

1   may remain in possession of the property for a period of not more than 60 days after the
2   settlement.

3   8–208.

4   (a)   (1)   On or after October 1, 1999, any landlord who offers 5 or more dwelling
5   units for rent in the State may not rent a residential dwelling unit without using a written
6   lease.

7   (2)   If a landlord fails to comply with paragraph (1) of this subsection, the
8   term of the tenancy is presumed to be 1 year from the date of the tenant's first occupancy
9   unless the tenant elects to end the tenancy at an earlier date by giving 1 month's written
10   notice.

11   (b)   A landlord who rents using a written lease shall provide, upon written request
12   from any prospective applicant for a lease, a copy of the proposed form of lease in writing,
13   complete in every material detail, except for the date, the name and address of the tenant,
14   the designation of the premises, and the rental rate without requiring execution of the lease
15   or any prior deposit.

16   (c)   A lease shall include:

17   (1)   A statement that the premises will be made available in a condition
18   permitting habitation, with reasonable safety, if that is the agreement, or if that is not the
19   agreement, a statement of the agreement concerning the condition of the premises;

20   (2)   The landlord's and the tenant's specific obligations as to heat, gas,
21   electricity, water, and repair of the premises; **[**and**]**

22   (3)   A receipt for the security deposit as specified in § 8–203.1 of this
23   subtitle**; AND**

24   **(4)   A REQUIREMENT THAT A TENANT MAINTAIN A RENTER'S**
25   **INSURANCE POLICY COVERING THE TENANT'S PERSONAL PROPERTY THAT WILL BE**
26   **KEPT AT THE RENTAL PROPERTY**.

27   (d)   A landlord may not use a lease or form of lease containing any provision that:

28   (1)   Has the tenant authorize any person to confess judgment on a claim
29   arising out of the lease;

30   (2)   Has the tenant agree to waive or to forego any right or remedy provided
31   by applicable law;

1   (3)   (i)   Provides for a penalty for the late payment of rent in excess of
2 5% of the amount of rent due for the rental period for which the payment was delinquent;
3 or

4   (ii)   In the case of leases under which the rent is paid in weekly rental
5 installments, provides for a late penalty of more than $3 per week or a total of no more than
6 $12 per month;

7   (4)   Has the tenant waive the right to a jury trial;

8   (5)   Has the tenant agree to a period required for landlord's notice to quit
9 which is less than that provided by applicable law; provided, however, that neither party is
10 prohibited from agreeing to a longer notice period than that required by applicable law;

11   (6)   Authorizes the landlord to take possession of the leased premises, or
12 the tenant's personal property unless the lease has been terminated by action of the parties
13 or by operation of law, and the personal property has been abandoned by the tenant without
14 the benefit of formal legal process;

15   (7)   Is against public policy and void pursuant to § 8–105 of this title;

16   (8)   Permits a landlord to commence an eviction proceeding or issue a notice
17 to quit solely as retaliation against any tenant for planning, organizing, or joining a tenant
18 organization with the purpose of negotiating collectively with the landlord;

19   (9)   Requires the tenant to accept notice of rent increases under § 8–209 by
20 electronic delivery; **[**or**]**

21   (10)   (i)   Limits the ability of a tenant to summon the assistance of law
22 enforcement or emergency services or penalizes a tenant solely for summoning the
23 assistance of law enforcement or emergency services; or

24   (ii)   Penalizes a tenant for the actions of another individual solely
25 because the individual summoned the assistance of law enforcement or emergency services**;**
26 **OR**

27   **(11)**   **REQUIRES THE TENANT TO MAINTAIN A RENTER'S INSURANCE**
28 **POLICY:**

29   **(I)**   **FROM A PARTICULAR INSURER OR LIST OF INSURERS;**

30   **(II)**   **THAT INCLUDES THE LANDLORD AS A BENEFICIARY, AN**
31 **INSURED PARTY, OR AN ADDITIONAL INSURED; OR**

32   **(III)**   **THAT MEETS ANY OTHER REQUIREMENTS SET BY THE**
33 **LANDLORD**.

1   (e)   (1)   Except for a lease containing an automatic renewal period of 1 month
2   or less, a lease that contains a provision calling for an automatic renewal of the lease term
3   unless prior notice is given by the party or parties seeking to terminate the lease, shall
4   have the provision distinctly set apart from any other provision of the lease and provide a
5   space for the written acknowledgment of the tenant's agreement to the automatic renewal
6   provision.

7   (2)   An automatic renewal provision that is not specifically accompanied by
8   either the tenant's initials, signature, or witnessed mark is unenforceable by the landlord.

9   (f)   No provision of this section shall be deemed to be a bar to the applicability of
10 supplementary rights afforded by any public local law enacted by the General Assembly or
11 any ordinance or local law enacted by any municipality or political subdivision of this State;
12 provided, however, that no such law can diminish or limit any right or remedy granted
13 under the provisions of this section.

14   (g)   (1)   Any lease provision which is prohibited by terms of this section shall be
15 unenforceable by the landlord.

16   (2)   If the landlord includes in any lease a provision prohibited by this
17 section or made unenforceable by § 8–105 of this title or § 8–203 of this subtitle, at any time
18 subsequent to July 1, 1975, and tenders a lease containing such a provision or attempts to
19 enforce or makes known to the tenant an intent to enforce any such provision, the tenant
20 may recover any actual damages incurred as a reason thereof, including reasonable
21 attorney's fees.

22   (h)   If any word, phrase, clause, sentence, or any part or parts of this section shall
23 be held unconstitutional by any court of competent jurisdiction such unconstitutionality
24 shall not affect the validity of the remaining parts of this section.

25   **(I)   (1)   IF A TENANT FAILS TO COMPLY WITH THE LEASE REQUIREMENT**
26 **DESCRIBED UNDER PARAGRAPH (C)(4) OF THIS SECTION, THE LANDLORD SHALL**
27 **ACQUIRE A RENTER'S INSURANCE POLICY ON BEHALF OF THE TENANT.**

28   **(2)   A LANDLORD WHO ACQUIRES A RENTER'S INSURANCE POLICY ON**
29 **BEHALF OF A TENANT UNDER PARAGRAPH (1) OF THIS SUBSECTION MAY CHARGE**
30 **THE INSURANCE PREMIUM TO THE TENANT UNTIL THE TENANT ACQUIRES A**
31 **RENTER'S INSURANCE POLICY.**

32   **(3)   A LANDLORD MAY NOT BE THE BENEFICIARY, AN INSURED PARTY,**
33 **OR AN ADDITIONAL INSURED OF A RENTER'S INSURANCE POLICY ACQUIRED UNDER**
34 **PARAGRAPH (1) OF THIS SUBSECTION.**

35   SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
36 October 1, 2024.