HOUSE BILL 911

N1 5lr0947

By: Delegates Guyton, Bagnall, Davis, Foley, Guzzone, Healey, D. Jones, Lehman, R. Lewis, Lopez, McCaskill, Queen, Roberts, Ruth, Solomon, Taveras, Terrasa, White Holland, Woods, and Ziegler Ziegler, Allen, and Boyce

Introduced and read first time: January 31, 2025 Assigned to: Environment and Transportation

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 15, 2025

CHAPTER	

1 AN ACT concerning

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Real Property - Landlord and Tenant - Family Child Care Homes

3 FOR the purpose of authorizing a landlord to impose an increased security deposit if a 4 tenant operates or plans to operate a family child care home on the leased premises; 5 prohibiting a landlord of certain residential rental property from prohibiting or 6 unreasonably limiting the operation of a family child care home on the property; 7 providing that landlords of certain residential rental property are immune from civil 8 liability for the acts or omissions of a tenant relating to the operation of a family 9 child care home; requiring a tenant to notify a landlord prior to operating a family 10 child care home on the property; requiring a tenant to provide a landlord with a certain registration and a certificate of insurance naming the landlord certain 11 12 entities as an additional insured insureds on policies under certain circumstances; 13 requiring a tenant to notify a landlord if the tenant ceases operation of a family child care home; authorizing a landlord to require a certain tenant to purchase a certain 14 insurance policy; requiring a tenant to cease the operation of the family child care 15 16 home under certain circumstances; and generally relating to the operation of family 17 child care homes on residential rental property.

18 BY repealing and reenacting, without amendments,

19 Article – Education

20 Section 9.5–301(a) and (e)

21 Annotated Code of Maryland

22 (2022 Replacement Volume and 2024 Supplement)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

<u>Underlining</u> indicates amendments to bill.

Strike out indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 2 3 4 5	BY repealing and reenacting, with amendments, Article – Real Property Section 8–203(b) Annotated Code of Maryland (2023 Replacement Volume and 2024 Supplement)
6 7 8 9 10	BY adding to Article – Real Property Section 8–220 Annotated Code of Maryland (2023 Replacement Volume and 2024 Supplement)
11 12	SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:
13	Article - Education
14	9.5–301.
15	(a) In this subtitle the following words have the meanings indicated.
16 17	(e) "Family child care home" means a residence in which family child care is provided for up to eight children.
18	Article - Real Property
19	8–203.
20 21 22	(b) (1) Except as provided in paragraph (2) of this subsection, a landlord may not impose a security deposit in excess of the equivalent of 1 month's rent per dwelling unit, regardless of the number of tenants.
23 24	(2) A landlord may impose a security deposit in an amount equivalent to up to 2 months' rent if:
25 26	(i) 1. The tenant is eligible and has qualified for utility assistance through the Department of Human Services;
27 28	[(ii)] 2. The lease agreement requires that the tenant make payments for utility services directly to the landlord; and
29 30	[(iii)] 3. The tenant and landlord agree in writing to the amount of the security deposit; OR

- 3 THE TENANT OPERATES OR PLANS TO OPERATE A FAMILY 1 (II)2 CHILD CARE HOME REGISTERED UNDER TITLE 9.5, SUBTITLE 3 OF THE EDUCATION 3 ARTICLE ON THE LEASED PREMISES. 4 If a landlord violates paragraph (1) of this subsection, the tenant may recover up to three times the extra amount charged, plus reasonable attorney's fees. 5 6 **(4)** An action under this section may be brought at any time during the tenancy or within 2 years after its termination. 7 8 8-220. IN THIS SECTION, "FAMILY CHILD CARE HOME" HAS THE MEANING 9 STATED IN § 9.5–301 OF THE EDUCATION ARTICLE. 10 **(B)** 11 THIS SECTION APPLIES ONLY TO THE LEASE OF A SINGLE-FAMILY OR 12 **MULTIFAMILY** DWELLING TO A TENANT OR PROSPECTIVE TENANT FOR USE OF THE 13 LEASED PREMISES AS A FAMILY CHILD CARE HOME. (C) **(1)** 14 THIS SUBSECTION DOES NOT APPLY TO: 15 THE LEASE OF THE FOLLOWING RESIDENTIAL PROPERTY IF **(I)** ONE OF THE DWELLING UNITS IS AN OWNER-OCCUPIED SINGLE-FAMILY DWELLING: 16 17 A SINGLE-FAMILY DWELLING; OR 2 18 A MULTIFAMILY DWELLING WITH FOUR OR FEWER 19 DWELLING UNITS; OR 20 (II)PROHIBITIONS AGAINST OR RESTRICTIONS ON FAMILY 21 CHILD CARE HOMES IMPOSED BY THE: 22 1. AGE-RELATED RESTRICTIONS OF A HOMEOWNERS 23 ASSOCIATION; OR 24<u>2.</u> THE GOVERNING DOCUMENTS OR BYLAWS OF A 25CONDOMINIUM OR COOPERATIVE HOUSING CORPORATION.
- 26 **(2)** A LANDLORD OF A SINGLE-FAMILY OR MULTIFAMILY DWELLING 27 MAY NOT PROHIBIT A TENANT OR PROSPECTIVE TENANT FROM OPERATING A 28 FAMILY CHILD CARE HOME ON THE LEASED PREMISES BY:
- 29 REFUSING TO OFFER THE PREMISES FOR LEASE, **(I)** 30 NEGOTIATE THE LEASE OF THE PREMISES, OR LEASE THE PREMISES;

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	4 HOUSE BILL JII
1 2	(II) IMPOSING UNREASONABLE LIMITATIONS OR CONDITIONS ON THE USE OF THE LEASED PREMISES AS A FAMILY CHILD CARE HOME; OR
3 4	(III) OTHERWISE ACTING IN BAD FAITH TO PREVENT THE USE OF THE LEASED PREMISES AS A FAMILY CHILD CARE HOME.
5 6	(D) A LANDLORD IS NOT LIABLE FOR ANY ACT OR OMISSION OF A TENANT RELATING TO THE OPERATION OF A FAMILY CHILD CARE HOME.
7 8	(E) A TENANT SHALL NOTIFY A LANDLORD IN WRITING AT LEAST 30 60 DAYS PRIOR TO OPERATING A FAMILY CHILD CARE HOME ON THE LEASED PREMISES.
9 10 11	(F) (1) AT THE REQUEST OF THE LANDLORD, A TENANT OPERATING OR PLANNING TO OPERATE PRIOR TO COMMENCING THE OPERATION OF A FAMILY CHILD CARE HOME, A TENANT SHALL PROVIDE THE LANDLORD WITH:
12 13 14	(I) THE TENANT'S REGISTRATION TO OPERATE A FAMILY CHILD CARE HOME ISSUED UNDER TITLE 9.5, SUBTITLE 3 OF THE EDUCATION ARTICLE; AND
15 16 17	(II) \triangle A CERTIFICATE OF INSURANCE NAMING THE LANDLORD FOLLOWING AS \triangle ADDITIONAL INSURED INSUREDS ON POLICIES RELATING TO THE OPERATION OF THE FAMILY CHILD CARE HOME:
18	1. THE LANDLORD; AND
19 20	2. EACH ENTITY WITH A DIRECT OR INDIRECT OWNERSHIP OR MEMBERSHIP INTEREST IN THE PROPERTY.
21 22	(2) IF THE TENANT CEASES OPERATION OF THE FAMILY CHILD CARE HOME, THE TENANT SHALL NOTIFY THE LANDLORD IMMEDIATELY.
23 24	(3) A LANDLORD MAY REQUIRE A TENANT TO PURCHASE A LIABILITY INSURANCE POLICY WITH COVERAGE LIMITS OF NOT MORE THAN \$1,000,000 IN
25 26	(4) IF THERE IS A LAPSE IN COVERAGE ON A POLICY UNDER

29 (G) THIS SECTION DOES NOT LIMIT OR PREEMPT THE LOCAL ZONING 30 AUTHORITY OF A COUNTY OR MUNICIPALITY.

THE FAMILY CHILD CARE HOME FOR THE DURATION OF THE LAPSE.

PARAGRAPH (1)(II) OF THIS SUBSECTION, THE TENANT SHALL CEASE OPERATION OF

	HOOSE BILL 311
	SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall be construed to apply only prospectively and may not be applied or interpreted to have any effect on or application to any lease entered into before the effective date of this Act.
	SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2025.
	Approved:
-	Governor.

President of the Senate.

Speaker of the House of Delegates.