

# HOUSE BILL 284

N1

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By: **Delegates Stocksdale, Aumann, Bates, Bohanan, Dwyer, Elliott, Frank, Krebs, Ready, Sophocleus, and Wood**  
Introduced and read first time: January 31, 2011  
Assigned to: Environmental Matters

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## A BILL ENTITLED

1 AN ACT concerning

2 **Real Property – Residential Leases – Security Deposits – Interest Rates**

3 FOR the purpose of altering the annual interest rate paid on a security deposit under  
4 a residential lease within a certain number of days after the end of a tenancy;  
5 altering the annual interest rate paid on a security deposit under a residential  
6 lease prior to the termination of a tenancy under certain circumstances; and  
7 generally relating to interest rates paid on security deposits under residential  
8 leases.

9 BY repealing and reenacting, with amendments,  
10 Article – Real Property  
11 Section 8–203(e)(1) and (h)(2)  
12 Annotated Code of Maryland  
13 (2010 Replacement Volume and 2010 Supplement)

14 BY repealing and reenacting, without amendments,  
15 Article – Real Property  
16 Section 8–203(h)(1)  
17 Annotated Code of Maryland  
18 (2010 Replacement Volume and 2010 Supplement)

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

21 **Article – Real Property**

22 8–203.

23 (e) (1) Within 45 days after the end of the tenancy, the landlord shall  
24 return the security deposit to the tenant together with simple interest which has

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



1 accrued in the amount of [3] 1 percent per annum, less any damages rightfully  
2 withheld.

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

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

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

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

17 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
18 October 1, 2011.