

providing for recovery of damages and COURT costs, including reasonable attorney's fee, by a tenant in a law suit to recover deposits under this Act, and specifying that this Act shall only apply to deposits made after its effective date.

SECTION 1. *Be it enacted by the General Assembly of Maryland,* That new Sections 41 to 43, inclusive, be and they are hereby added to Article 53 of the Annotated Code of Maryland (1968 Replacement Volume), title "Landlord and Tenant," to follow immediately after Section 40 thereof and to be under the new subtitle "Tenants' Deposits," and to read as follows:

*"Tenants' Deposits"*

41.

*When a landlord or an authorized agent of the landlord requires a deposit of money from a tenant in an apartment building AND/OR DEVELOPMENT with ~~10~~ 4 or more units prior to or in connection with any lease, which is not credited to rent, the deposit shall be deposited to an escrow account. ~~which may be interest bearing.~~*

42.

*Within ~~thirty~~ TEN TWENTY days after the termination of a lease, any money held in connection with the lease in an escrow account under the provisions of Section 41 of this subtitle shall be returned to the tenant ~~with any interest earned on the deposit;~~ but the landlord may deduct from the amount returned an amount equal to any rent past due, an amount equal to damages for lost future rent where the tenant vacates the leased premises ~~prior to the expiration of the term~~ CONTRARY TO THE TERMS of the lease, and for any damage to the property for which the tenant may properly be held liable.*

43.

*In any suit by a tenant to recover a deposit under this subtitle, where the tenant has successfully established his right to the return of all or part of the deposit, the tenant shall be entitled to recover as damages the amount of the deposit ~~and interest found due him plus all costs of the action~~ COURT COSTS including a reasonable attorney's fee NOT TO EXCEED TWENTY-FIVE PERCENT (25%) OF THE AMOUNT DUE. IF THE COURT SHOULD FIND THAT THE SUIT WAS BROUGHT BY THE TENANT WITHOUT SUBSTANTIAL JUSTIFICATION, THE LANDLORD SHALL BE ENTITLED TO RECOVER A REASONABLE ATTORNEY'S FEE NOT TO EXCEED TWENTY-FIVE PERCENT (25%) OF THE AMOUNT DUE.*

SEC. 2. THIS ACT SHALL NOT APPLY TO ANY PROJECT OR DEVELOPMENT GOVERNED BY A REGULATORY AGREEMENT AS REQUIRED BY THE UNITED STATES GOVERNMENT, ANY OF ITS AGENCIES OR ASSIGNS WHICH PROTECTS TENANT DEPOSITS.

~~Sec. 2.~~ 3. *And be it further enacted,* That the provisions of this Act shall apply only to deposits made subsequent to the effective date of this Act.