

~~43I~~ 43H, inclusive, to said Article, title and subtitle, to follow immediately after Section 43 thereof, providing that landlords are to pay interest on security deposits, limiting the amount that a landlord may require for a security deposit, providing how and where security deposits are to be held, providing penalties for violation of this subtitle and relating generally to security deposits.

SECTION 1. *Be it enacted by the General Assembly of Maryland,* That Sections 41, 42 and 43 of Article 53 of the Annotated Code of Maryland (1972 Replacement Volume), title "Landlord and Tenant," subtitle "Tenant's Deposits," be and they are hereby repealed and that new Sections 41, 42 and 43 be and they are hereby enacted in lieu thereof, to stand in the place of the sections repealed; that new Sections 43A through ~~43I~~ 43H, inclusive, be and they are hereby added to said Article, title and subtitle, all to read as follows:

**[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 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.

**42.**

Within 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; 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 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 plus court costs including a reasonable attorney's fee. 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.]

**41.**

*A security deposit is any payment of money, including the payment of the last month's rent in advance of the time it is due, given to a landlord by a tenant in order to protect the landlord against non-payment of rent or damage to the leased premises.*

**42.**

*A landlord shall not impose a security deposit in excess of the equivalent of ~~one~~ TWO month's rent, OR \$50.00, WHICHEVER IS GREATER, per dwelling unit, regardless of the number of tenants.*

*(i) If a landlord charges more than the equivalent of ~~one~~ TWO month's rent, OR \$50.00, WHICHEVER IS GREATER, per dwelling unit as a security deposit, the tenant has the right to recover up to threefold the extra amount so charged, plus reasonable attorney's fees.*