

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

Article - Real Property

8-203.

(a) (1) In this section the following words have the meanings indicated.

(2) "Landlord" means a landlord or a prospective landlord.

(3) "Security deposit" means any payment of money, including 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 nonpayment of rent, damage due to breach of lease, or damage to the leased premises, common areas, major appliances, and furnishings.

(4) "Tenant" means a tenant or a prospective tenant.

(b) (1) A landlord may not impose a security deposit in excess of the equivalent of two months' rent per dwelling unit, regardless of the number of tenants.

(2) If a landlord charges more than the equivalent of two months' rent per dwelling unit as a security deposit, the tenant may recover up to threefold the extra amount charged, plus reasonable attorney's fees.

(3) An action under this section may be brought at any time during the tenancy or within two years after its termination.

(c) The landlord shall give the tenant a receipt for the security deposit as specified in § 8-203.1 of this subtitle. The receipt may be included in a written lease.

(d) (1) (i) The landlord shall maintain all security deposits in federally insured financial institutions, as defined in § 1-101 of the Financial Institutions Article, which do business in the State.

(ii) Security deposit accounts shall be maintained in branches of the financial institutions which are located within the State and the accounts shall be devoted exclusively to security deposits and bear interest.

(iii) A security deposit shall be deposited in an account within 30 days after the landlord receives it.

(iv) The aggregate amount of the accounts shall be sufficient in amount to equal all security deposits for which the landlord is liable.

(2) (i) In lieu of the accounts described in paragraph (1) of this subsection, the landlord may hold the security deposits in insured certificates of deposit at branches of federally insured financial institutions, as defined in § 1-101 of the Financial Institutions Article, located in the State or in securities issued by the federal government or the State of Maryland.

(ii) In the aggregate certificates of deposit or securities shall be sufficient in amount to equal all security deposits for which the landlord is liable.