

Article - Real Property

8-203.

(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.

(3) (I) In the event of sale or transfer of the landlord's interest in the leased premises, including receivership or bankruptcy, the landlord or the landlord's estate, but not the managing agent or court appointed receiver, shall remain liable to the tenant and the transferee for maintenance of the security deposit as required by law, and the withholding and return of the security deposit plus interest as required by law, as to all or any portion of the security deposit that the landlord fails to deliver to the transferee together with an accounting showing the amount and date of the original deposit, the records of the interest rates applicable to the security deposit, if any, and the name and last known address of the tenant from whom, or on whose behalf, the deposit was received.

(II) ~~A SECURITY DEPOSIT THAT IS MAINTAINED IN A FINANCIAL INSTITUTION AS PROVIDED UNDER THIS SECTION MAY NOT BE ATTACHED BY CREDITORS OF THE LANDLORD OR OF THE TENANT.~~

(4) Any successor in interest is liable to the tenant for failure to return the security deposit, together with interest, as provided in this section.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2005.

Approved May 26, 2005.