

CHAPTER 369

(House Bill 723)

AN ACT concerning

Real Property - Residential ~~Lease Leases~~ - Security Deposits - Interest Rates

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

BY repealing and reenacting, with amendments,

Article - Real Property

Section 8-203(e) and (h)

Annotated Code of Maryland

(2003 Replacement Volume and 2003 Supplement)

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

Article - Real Property

8-203.

(e) (1) Within 45 days after the end of the tenancy, the landlord shall return the security deposit to the tenant together with simple interest which has accrued in the amount of [4] ~~2~~ 3 percent per annum, less any damages rightfully withheld.

(2) Interest shall accrue at six-month intervals from the day the tenant gives the landlord the security deposit. Interest is not compounded.

(3) Interest shall be payable only on security deposits of \$50 or more.

(4) If the landlord, without a reasonable basis, fails to return any part of the security deposit, plus accrued interest, within 45 days after the termination of the tenancy, the tenant has an action of up to threefold of the withheld amount, plus reasonable attorney's fees.

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

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