

COUNTY COUNCIL OF PRINCE GEORGE'S COUNTY, MARYLAND
2014 Legislative Session

Bill No. CB-63-2014

Chapter No. 58

Proposed and Presented by Council Member Davis

Introduced by Council Members Davis, Franklin, Harrison, and Turner

Co-Sponsors _____

Date of Introduction October 7, 2014

BILL

1 AN ACT concerning

2 Residential Leases – Security Deposits

3 For the purpose of altering the interest rate paid on a security deposit under a residential lease at
4 the end of a tenancy; altering the time for mailing a certain notice; providing for a delayed
5 effective date; and generally relating to the interest paid on security deposits under residential
6 leases.

7 BY repealing and reenacting with amendments:

8 SUBTITLE 13. HOUSING AND PROPERTY

9 STANDARDS.

10 Section 13-159,

11 The Prince George's County Code

12 (2011 Edition; 2013 Supplement).

13 SECTION 1. BE IT ENACTED by the County Council of Prince George's County,
14 Maryland, that Section 13-159 of the Prince George's County Code be and the same is hereby
15 repealed and reenacted with the following amendments:

16 **SUBTITLE 13. HOUSING AND PROPERTY STANDARDS.**

17 **DIVISION 3. LANDLORD-TENANT REGULATIONS.**

18 **Subdivision 2. Landlord Tenant Code.**

19 **Sec. 13-159. Security deposits; amounts; escrow accounts; interest.**

20 (a) A security deposit is any advance or deposit of money given to the landlord by the
21 tenant for the purpose of securing the performance of the rental agreement or any part thereof.

1 (b) A landlord shall not impose a security deposit in excess of the equivalent of two (2)
2 months' rent or Fifty Dollars (\$50.00), whichever is greater, per dwelling unit, regardless of the
3 number of tenants.

4 (1) If the landlord charges more than the equivalent of two (2) months' rent or Fifty
5 Dollars (\$50.00), whichever is greater, per dwelling unit, as a security deposit, the tenant shall
6 have the right to recover up to threefold the extra amount so charged, plus reasonable attorney's
7 fees.

8 (2) An action under this Section may be brought at any time during the tenancy, or
9 within two (2) years after the lease is terminated.

10 (c) The landlord shall maintain the security deposit in an interest bearing and insured
11 escrow account in a bank or savings and loan association located within the State of Maryland,
12 and administer it for the benefit of the tenant. This money shall not be commingled with any
13 asset of the landlord and shall be identified in some manner as security deposit escrow money.
14 Failure to provide such information shall be cause for denial, suspension, or revocation of the
15 license to operate a multifamily rental facility as required by Section 13-184.

16 (1) The landlord shall give a tenant a receipt for a security deposit. The receipt shall
17 be included as a provision in the lease.

18 (2) The landlord shall be liable to the tenant in the sum of Fifty Dollars (\$50.00) if
19 the landlord fails to provide a written receipt for a security deposit.

20 (d) The landlord shall deposit the security deposit money within thirty (30) days after its
21 receipt. The tenant shall be entitled to [four percent (4%) simple interest per annum earned on
22 the deposit and the landlord shall be entitled to any difference in the total interest earned as a
23 service charge for handling the account.] interest earned on the deposit as provided under §8-203
24 of the Real Property Article.

25 (e) In the event of sale or transfer of any sort, including, but not limited to, receivership or
26 bankruptcy, the security deposit shall be binding on the successor in interest to the person to
27 whom the deposit is given. Security deposits shall be free from any attachment by creditors.

28 (f) Any successor in interest shall be liable to the tenant for failure to return the security
29 deposit together with interest, as provided by this Section.

1 (g) The landlord shall return the security deposit and [four (4%) percent simple] interest
2 per annum, as determined pursuant to §8-203 of the Real Property Article, less any damages
3 rightfully withheld, within forty-five (45) days after the lease is terminated.

4 (1) Interest shall accrue at six (6) month intervals from the day the landlord deposits
5 the security deposit. Interest shall not compound.

6 (2) Interest shall be payable only on security deposits of Fifty Dollars (\$50.00) or
7 more.

8 (3) If the landlord fails, without a reasonable basis as specified in Subsection (h), to
9 return all or any part of the security deposit and that portion of the accrued interest within forty-
10 five (45) days after the lease is terminated, the tenant shall have the right to recover up to
11 threefold the amount so withheld plus reasonable attorney's fees.

12 (h) The tenant has the right to be present when the landlord or his agent inspects the leased
13 dwelling unit in order to determine if any damage was done to the leased dwelling unit, if the
14 tenant notifies the landlord by certified mail of his intention to move, the date of moving, and his
15 new address. The notice to be furnished by the tenant to the landlord shall be mailed at least
16 fifteen (15) days prior to the date of moving. Upon receipt of the notice, the landlord shall notify
17 the tenant by certified mail of the time and date when the leased dwelling unit is to be inspected.
18 The date of inspection shall occur within five (5) days before or five (5) days after the date of
19 moving as designated in the tenant's notice. The tenant shall be advised of his rights under this
20 Subsection in writing at the time of his payment of the security deposit. Failure by the landlord
21 to comply with this requirement forfeits the right of the landlord to withhold any part of the
22 security deposit for damages.

23 (1) The security deposit may not be forfeited to the landlord for breach of the rental
24 agreement, except in the amount that the landlord is actually damaged by the breach.

25 (2) In calculating damages for lost future rents, any amounts of rents received by the
26 landlord for the leased dwelling unit during the remainder of any of the tenant's term shall reduce
27 the damages by a like amount.

28 (A) A detailed statement of any damages or violations of the lease together with
29 the cost actually incurred shall be mailed by first class mail directed to the last known address of
30 the tenant within [thirty (30)] forty-five (45) days after the lease is terminated. The security
31 deposit, or any portion thereof, may be withheld for unpaid rent, damage due to breach of lease,

1 or for damage to the leased dwelling unit by the tenant, his family, agents, employees, or social
2 guests in excess of ordinary wear and tear.

3 (B) The failure of the landlord to inspect the leased dwelling unit or to mail a
4 notice [within thirty (30) days] in accordance with paragraph (A), above, shall cause the landlord
5 to forfeit any right to withhold any part of the security deposit for damages.

6 SECTION 2. BE IT FURTHER ENACTED that the provisions of this Act are hereby
7 declared to be severable; and, in the event that any section, subsection, paragraph, subparagraph,
8 sentence, clause, phrase, or word of this Act is declared invalid or unconstitutional by a court of
9 competent jurisdiction, such invalidity or unconstitutionality shall not affect the remaining
10 words, phrases, clauses, sentences, subparagraphs, paragraphs, subsections, or sections of this
11 Act, since the same would have been enacted without the incorporation in this Act of any such
12 invalid or unconstitutional word, phrase, clause, sentence, subparagraph, subsection, or section.

13 SECTION 3. BE IT FURTHER ENACTED that this Act shall take effect on January 1,
14 2015.

Adopted this 28th day of October, 2014.

COUNTY COUNCIL OF PRINCE
GEORGE'S COUNTY, MARYLAND

BY: _____
Mel Franklin
Chairman

ATTEST:

Redis C. Floyd
Clerk of the Council

APPROVED:

DATE: _____ BY: _____
Rushern L. Baker, III
County Executive

KEY:
Underscoring indicates language added to existing law.
[Brackets] indicate language deleted from existing law.