

**AMENDMENTS TO COUNCIL BILL 21-0022  
(1<sup>st</sup> Reader Copy)**

By: Economic and Community Development Committee  
{To be offered on the Council floor}

**Amendment No. 1**

On page 1, strike line 21 in its entirety; and, on that same page, in line 22, strike “MEANS MONEY OR ANY OTHER FORM OF SECURITY GIVEN BY” and substitute “HAS THE MEANING STATED IN STATE REAL PROPERTY ARTICLE, § 8-203(A)(3).”; and, on that same page, strike lines 23 and 24 in their entireties; and, on page 2, strike lines 1 through 13 in their entireties.

**Amendment No. 2**

On page 2, in line 20, strike “ACCEPT” down through and including “DEPOSIT” in line 21; and, on that same page, strike lines 22 through 33; and, on page 3, strike lines 1 through 17 in their entireties and substitute:

- “ (I) PURCHASE RENTAL SECURITY DEPOSIT INSURANCE; OR
- (II) PAY THE SECURITY DEPOSIT OVER A SERIES OF NO LESS THAN 3 EQUAL MONTHLY INSTALLMENT PAYMENTS.
- (4) RENTAL SECURITY DEPOSIT INSURANCE.
- (I) IF THE TENANT ELECTS TO PURCHASE RENTAL SECURITY DEPOSIT INSURANCE DESCRIBED IN PARAGRAPH (3)(I) OF THIS SUBSECTION:
- (A) THE INSURANCE PROVIDER MUST BE AN APPROVED CARRIER LICENSED BY, AND IN GOOD STANDING WITH, THE MARYLAND INSURANCE ADMINISTRATION;
- (B) THE INSURANCE PROVIDER, POLICY, AND COVERAGE AMOUNT MUST BE SUBMITTED TO AND APPROVED BY THE LANDLORD AS AN ACCEPTABLE OPTION IN LIEU OF THE REQUIRED SECURITY DEPOSIT;
- (C) THE INSURANCE PROVIDER MUST OBTAIN FROM THE TENANT A SIGNED ACKNOWLEDGMENT ON A SEPARATE SHEET OF PAPER WITH THE FOLLOWING DISCLOSURE:

“THE TENANT UNDERSTANDS THAT THE PERIODIC FEE DUE UNDER THIS CONTRACT IS NOT A SECURITY DEPOSIT AND WILL NOT BE REFUNDED UNDER ANY CIRCUMSTANCES TO THE TENANT AT ANY TIME.”;

(D) THE LANDLORD MAY NOT REQUIRE THE TENANT TO PROVIDE ADDITIONAL SECURITY OR INSURANCE COVERAGE PER CLAIM IN AN AMOUNT GREATER THAN THE AMOUNT REQUIRED FOR SECURITY DEPOSITS; AND

(E) ANY RENTAL SECURITY DEPOSIT INSURANCE OFFERED SHALL MEET THE FOLLOWING CRITERIA:

1. THE COVERAGE IS EFFECTIVE UPON THE PAYMENT OF THE FIRST PREMIUM AND REMAINS EFFECTIVE FOR THE ENTIRE LEASE TERM;

2. THE INSURANCE MUST PERMIT THE PAYMENT OF PREMIUMS ON A MONTHLY BASIS UNLESS THE TENANT SELECTS OR AGREES TO A DIFFERENT PAYMENT SCHEDULE;

3. THE COVERAGE PROVIDED PER CLAIM IS NO LESS THAN THE AMOUNT THE LANDLORD REQUIRES FOR SECURITY DEPOSITS.

(II) IF A TENANT ELECTS TO PAY THE SECURITY DEPOSIT THROUGH RENTAL SECURITY DEPOSIT INSURANCE AND FAILS TO PURCHASE THE RENTAL SECURITY DEPOSIT INSURANCE ON OR BEFORE THE DATE OF THE LEASE AGREEMENT, THE TENANT MUST PAY THE SECURITY DEPOSIT THE LANDLORD ORIGINALLY ASSESSED.

(III) IF A TENANT ELECTS TO PAY THE SECURITY DEPOSIT THROUGH RENTAL SECURITY DEPOSIT INSURANCE AND FAILS TO PAY THE PREMIUMS OF THE RENTAL SECURITY DEPOSIT INSURANCE, THE TENANT MUST PAY THE UNPAID PREMIUMS TO THE LANDLORD.

(5) *INSTALLMENT PAYMENTS.*

(I) IF A TENANT ELECTS TO PAY THE SECURITY DEPOSIT IN INSTALLMENTS AS DESCRIBED IN PARAGRAPH (3)(II) OF THIS SUBSECTION, EACH INSTALLMENT PAYMENT SHALL BE DUE ON THE SAME DAY AS EACH MONTHLY RENT PAYMENT.

(II) THE INSTALLMENT PAYMENT MAY BE PAID TOGETHER WITH THE MONTHLY RENT PAYMENT IN A SINGLE TRANSACTION, ABSENT SEPARATE AGREEMENT BY THE LANDLORD AND TENANT.

(6) OTHER REQUIREMENTS NOT PRECLUDED.

(I) "RENTER'S INSURANCE" DEFINED.

"RENTER'S INSURANCE" MEANS INSURANCE THAT COVERS A TENANT'S PERSONAL PROPERTY LOCATED WITHIN THE PREMISES THE TENANT RENTS.

(II) IN GENERAL.

NOTHING IN THIS SUBSECTION MAY BE CONSTRUED:

(A) TO LIMIT A LANDLORD'S ABILITY TO REQUIRE STANDARD CREDIT, INCOME OR OTHER QUALIFICATIONS UPON APPLICATION FOR A NEW RENTAL AGREEMENT; OR

(B) TO PRECLUDE A LANDLORD FROM REQUIRING THAT A TENANT HAVE RENTER'S INSURANCE IN ADDITION TO RENTAL SECURITY DEPOSIT INSURANCE."