



# POSITION STATEMENT

## TESTIMONY PRESENTED TO BALTIMORE CITY COUNCIL

### COUNCIL BILL 21-0022 SECURITY DEPOSIT ALTERNATIVES

**Sponsors: Councilmember Middleton, President Mosby, Councilmembers Stokes, Ramos, and Cohen**

**March 22, 2021**

**DONALD C. FRY  
PRESIDENT & CEO  
GREATER BALTIMORE COMMITTEE**

#### **Position: Support**

The Greater Baltimore Committee (GBC) supports Council Bill 21-0022.

Council Bill 21-0022 provides that a landlord who owns or controls 10 or more rental units in Baltimore City and assesses a security deposit of more than 60% of the monthly rent charged for a unit shall include in the lease the offer to accept one of the two options in lieu of the required security deposit:

- a) Rental security insurance in an amount no less than the amount that the landlord requires, provided:
  - 1) The rental security insurance is placed with an insurance provider that is an approved carrier licensed by, and in good standing with the Maryland Insurance Administration, and
  - 2) 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.
  
- b) Payment of the security deposit over a series of no less than 3 equal monthly installment payments that shall be due on the same day as the monthly rent payment and paid together with the monthly rent payment in a single transaction, unless mutually agreed otherwise.

This form of legislation, sometimes referred to as “Renter’s Choice”, enables renters to fulfill their security deposit requirement in a more affordable way, while providing protection to the city’s property owners by requiring the approval of the company in which the rental security insurance is placed, policy and coverage amount. This protects the property owner against excessive damages and loss of rent.

During these challenging economic times, many struggle to pay for housing, leaving their families at risk of instability and even homelessness. Studies suggest that Baltimore City residents contribute a significant amount of their earnings toward housing. It is estimated by the city Department of Housing and Community Development that many spend more than 30 percent of their income on housing.

Giving workers greater choice regarding the payment of security deposits while ensuring protection of property owners will make housing more affordable providing greater housing stability for city renters.

**For these reasons, the Greater Baltimore Committee supports Council Bill 21-0022.**

*The Greater Baltimore Committee (GBC) is a non-partisan, independent, regional business advocacy organization comprised of hundreds of businesses -- large, medium and small -- educational institutions, nonprofit organizations and foundations located in Anne Arundel, Baltimore, Carroll, Harford, and Howard counties as well as Baltimore City. The GBC is a 66-year-old, private-sector membership organization with a rich legacy of working with government to find solutions to problems that negatively affect our competitiveness and viability.*

**GREATER BALTIMORE COMMITTEE**

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