



Legislation Text

File #: 21-0022, Version: 0

Explanation: Capitals indicate matter added to existing law.
[Brackets] indicate matter deleted from existing law.

* **Warning:** This is an unofficial, introductory copy of the bill.
The official copy considered by the City Council is the first reader copy.

Introductory*

**City of Baltimore
Council Bill**

Introduced by: Councilmember Middleton, President Mosby, and Councilmember Stokes

A Bill Entitled

An Ordinance concerning
Security Deposit Alternatives

For the purpose of requiring certain lease provisions to create alternatives besides the traditional security deposit for residential leases under certain circumstances; defining certain terms; and prohibiting this subsection from limiting a landlord's ability to require certain qualifications on a residential tenant's application for a new residential lease.

By adding

Article 13 - Housing and Urban Renewal
Section 7-3(d)
Baltimore City Code
(Edition 2000)

Section 1. Be it ordained by the Mayor and City Council of Baltimore, That the Laws of Baltimore City read as follows:

Baltimore City Code

Article 13. Housing and Urban Renewal

Subtitle 7. Residential Lease Requirements

§ 7-3. Information required.

....

(d) *Security deposit alternatives.*

(1) *"Security deposit" defined.*

(i) *In general.*

“Security deposit” means money or any other form of security given by a tenant to a landlord to be held by a landlord on behalf of the tenant by virtue of a residential lease and shall include:

- (A) damage deposits;
- (B) advance rent deposits; and
- (C) pet deposits.

(ii) *Exclusions.*

“Security deposit” does not include any nonrefundable fees or other consideration that:

- (A) are not to be returned to the tenant under the terms of the residential lease;
- (B) were to be applied to the payment of rent or reimbursement of services or utilities provided to the tenant; or
- (C) are placed with a landlord to secure the availability of a rental unit more than 60 days prior to the commencement of the rental period.

(2) *Scope.*

This subsection only applies to landlords who own or control 10 or more rental units in Baltimore City.

(3) *In general.*

If a landlord assesses a security deposit of more than 60% percent of the monthly rent charged for a unit, the landlord shall include in the lease the offer to accept one of the two following options in lieu of the required security deposit:

- (i) rental security insurance that satisfies the following criteria:
 - (A) the insurance provider is 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 coverage is effective upon the payment of the first premium and remains effective for the entire lease term;
 - (D) the insurance must permit the payment of premiums on a monthly basis unless the tenant selects or agrees to a different payment schedule;
 - (E) the coverage provided per claim is no less than the amount the landlord requires for

security deposits; and

(F) a tenant who chooses this option in lieu of a security deposit may not be required to provide additional security or insurance coverage per claim in an amount greater than the amount required for security deposits; or

(ii) payment of the security deposit over a series of no less than 3 equal monthly installment payments that:

(A) shall be due on the same day as the monthly rent payment; and

(B) may be paid together with the monthly rent payment in a single transaction, absent separate agreement by the landlord and tenant.

(4) *Other requirements not precluded.*

Nothing in this subsection may be construed to limit a landlord's ability to require standard credit, income or other qualifications upon application for a new rental agreement.

Section 2. And be it further ordained, That the catchlines contained in this Ordinance are not law and may not be considered to have been enacted as a part of this or any prior Ordinance.

Section 3. And be it further ordained, That this Ordinance shall only apply prospectively to new leases and shall have no retroactive effect on leases entered into prior to the effective date of this Ordinance.

Section 4. And be it further ordained, That this Ordinance takes effect on the 30th day after the date it is enacted.