



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 30<sup>th</sup> day after the date it is enacted.