

Department of Legislative Services
Maryland General Assembly
2022 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 343 (Delegates Novotny and Arentz)
Environment and Transportation

Residential Rental Properties and Mobile Home Parks - Security Deposits - Rate
of Interest

This bill alters the calculation of interest on security deposits held by a residential landlord or mobile home park owner and owed to a tenant or mobile home park resident. Specifically, the bill repeals an existing requirement that interest be calculated at a fixed percentage (1.5%), if that percentage exceeds the daily U.S. Treasury yield curve rate, as specified.

Fiscal Summary

State Effect: The Department of Housing and Community Development (DHCD) can make any necessary programming modifications with existing budgeted resources. Revenues are not affected.

Local Effect: The bill is not anticipated to materially affect local government operations or finances.

Small Business Effect: Minimal.

Analysis

Current Law: Statutory provisions set forth various requirements regarding security deposits, including those relating to receipts, accounts in which security deposits must be maintained, timeframes for returning security deposits, and withholding deposits from tenants/mobile home park residents. This includes a requirement that, within 45 days after the end of the tenancy, the landlord/mobile home park owner must return the security deposit to the tenant/resident with simple interest that has accrued at the daily

U.S. Treasury yield curve rate for one year, as of the first business day of each year, or 1.5%, whichever is greater, less any damages rightfully withheld. DHCD is required to maintain on its website a list of daily U.S. Treasury yield curve rates for one year, as specified, and a customized calculator. A landlord/mobile home park owner is entitled to rely on this information when calculating the interest on a security deposit.

Additional Information

Prior Introductions: None.

Designated Cross File: None.

Information Source(s): Judiciary (Administrative Office of the Courts); Department of Housing and Community Development; Department of Legislative Services

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