



## Senate Bill 681

Committee: Judicial Proceedings  
Date: February 22, 2022  
**Position: Favorable with Amendment**

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This testimony is offered on behalf of the Maryland Multi-Housing Association (MMHA). MMHA is a professional trade association established in 1996, whose members consist of owners and managers of more than 210,000 rental housing homes in over 958 apartment communities. Our members house over 538,000 residents of the State of Maryland. MMHA also represents over 250 associate member companies who supply goods and services to the multi-housing industry.

Senate Bill 681 (“SB 681”) establishes processes and procedures for utilizing a fee in lieu of a security deposit. The bill exposes housing providers to unlimited liability, requires complete forfeiture of unpaid sums for something as minor as a typo, and establishes timelines and limitations that conflict with other areas of landlord/tenant law. As such, MMHA respectfully offers the following amendments to SB 681:

**1. On page 3, strike lines 22-27.**

- a. This provision limits housing providers to one month of rent for a security deposit when current state law allows for 2 months of rent for a security deposit. Further, the provision defines the recurring fee outside of rent, when it should be allowed to be included within the rent.

**2. On page 4, strike lines 10-13.**

- a. Lines 10-13 provide a continuous option to avoid the previous agreement to the tenant, but the same option is not extended to the housing provider.

**3. On page 5, strike lines 1-12 and insert:**

- a. “The tenant has the right to be present when the landlord or the landlord's agent inspects the premises in order to determine if any damage was done to the premises, if the tenant notifies the landlord by certified mail of the tenant's intention to move, the date of moving, and the tenant's new address. The notice to be furnished by the tenant to the landlord shall be mailed at least 15 days prior to the date of moving. Upon receipt of the notice, the landlord shall notify the tenant by certified mail of the time and date when the premises are to be inspected. The date of inspection shall occur within five days before or five days after the date of moving as designated in the tenant's notice.”
  - i. This language mirrors the security deposit law.

**4. On page 5, strike line 23 down through page 6, line 9.**

- a. On page 5, lines 23 through establish an arbitrary time cap on when claims may be submitted.
- b. On page 5, line 27 through line 9 on page 6, the insurer should provide notice and insurer contact information to the tenant.



**5. On page 7, strike lines 1-2.**

- a. There are cases where physical damages exceed the sums due under the lease.

**6. On page 7, strike lines 9-27.**

- a. On page 7, lines 9-10, tenants can already challenge that sums are incorrect in court.
- b. On page 7, lines 11-18, a typo in the notice would result in voided claims against the tenant and insurer.
- c. On page 7, lines 21-23, any noncompliance, no matter how small, with the statute results in complete forfeiture of all unpaid sums.
- d. On page 7, lines 24-27, housing providers are exposed to unlimited liability in any court proceeding for any material violation of the section.

**In its current posture, SB 381 exposes housing providers to unlimited liability, requires complete forfeiture of unpaid sums in response to a minor compliance issue or typo, and creates provisions that conflict with other areas of landlord/tenant law. For the aforementioned reasons, MMHA respectfully requests adoption of the amendments.**