SENATE BILL 725

N1 4lr3023
CF HB 564

By: **Senator Benson**
Introduced and read first time: January 31, 2024
Assigned to: Judicial Proceedings

A BILL ENTITLED

AN ACT concerning

Real Property – Residential Leases – Renter's Insurance Requirement

FOR the purpose of requiring a residential lease to include a requirement that a tenant hold a renter's insurance policy; prohibiting a lease from containing certain requirements regarding a renter's insurance policy; requiring a landlord to acquire a renter's insurance policy on behalf of a tenant under certain circumstances; and generally relating to a renter's insurance requirement for residential leases.

BY repealing and reenacting, without amendments,
Article – Real Property
Section 8–201
Annotated Code of Maryland
(2023 Replacement Volume)

BY repealing and reenacting, with amendments,
Article – Real Property
Section 8–208
Annotated Code of Maryland
(2023 Replacement Volume)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

Article – Real Property

8–201.

(a) This subtitle is applicable only to residential leases unless otherwise provided.

(b) This subtitle does not apply to a tenancy arising after the sale of owner–occupied residential property where the seller and purchaser agree that the seller

EXPLANATION: **CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.**
[Brackets**]** indicate matter deleted from existing law.

may remain in possession of the property for a period of not more than 60 days after the settlement.

8–208.

(a) (1) On or after October 1, 1999, any landlord who offers 5 or more dwelling units for rent in the State may not rent a residential dwelling unit without using a written lease.

(2) If a landlord fails to comply with paragraph (1) of this subsection, the term of the tenancy is presumed to be 1 year from the date of the tenant's first occupancy unless the tenant elects to end the tenancy at an earlier date by giving 1 month's written notice.

(b) A landlord who rents using a written lease shall provide, upon written request from any prospective applicant for a lease, a copy of the proposed form of lease in writing, complete in every material detail, except for the date, the name and address of the tenant, the designation of the premises, and the rental rate without requiring execution of the lease or any prior deposit.

(c) A lease shall include:

(1) A statement that the premises will be made available in a condition permitting habitation, with reasonable safety, if that is the agreement, or if that is not the agreement, a statement of the agreement concerning the condition of the premises;

(2) The landlord's and the tenant's specific obligations as to heat, gas, electricity, water, and repair of the premises; **[**and**]**

(3) A receipt for the security deposit as specified in § 8–203.1 of this subtitle**; AND**

(4) A REQUIREMENT THAT A TENANT MAINTAIN A RENTER'S INSURANCE POLICY COVERING THE TENANT'S PERSONAL PROPERTY THAT WILL BE KEPT AT THE RENTAL PROPERTY.

(d) A landlord may not use a lease or form of lease containing any provision that:

(1) Has the tenant authorize any person to confess judgment on a claim arising out of the lease;

(2) Has the tenant agree to waive or to forego any right or remedy provided by applicable law;

(3) (i) Provides for a penalty for the late payment of rent in excess of 5% of the amount of rent due for the rental period for which the payment was delinquent; or

(ii) In the case of leases under which the rent is paid in weekly rental installments, provides for a late penalty of more than $3 per week or a total of no more than $12 per month;

(4) Has the tenant waive the right to a jury trial;

(5) Has the tenant agree to a period required for landlord's notice to quit which is less than that provided by applicable law; provided, however, that neither party is prohibited from agreeing to a longer notice period than that required by applicable law;

(6) Authorizes the landlord to take possession of the leased premises, or the tenant's personal property unless the lease has been terminated by action of the parties or by operation of law, and the personal property has been abandoned by the tenant without the benefit of formal legal process;

(7) Is against public policy and void pursuant to § 8–105 of this title;

(8) Permits a landlord to commence an eviction proceeding or issue a notice to quit solely as retaliation against any tenant for planning, organizing, or joining a tenant organization with the purpose of negotiating collectively with the landlord;

(9) Requires the tenant to accept notice of rent increases under § 8–209 by electronic delivery; **[**or**]**

(10) (i) Limits the ability of a tenant to summon the assistance of law enforcement or emergency services or penalizes a tenant solely for summoning the assistance of law enforcement or emergency services; or

(ii) Penalizes a tenant for the actions of another individual solely because the individual summoned the assistance of law enforcement or emergency services**; OR**

(11) REQUIRES THE TENANT TO MAINTAIN A RENTER'S INSURANCE POLICY:

(I) FROM A PARTICULAR INSURER OR LIST OF INSURERS;

(II) THAT INCLUDES THE LANDLORD AS A BENEFICIARY, AN INSURED PARTY, OR AN ADDITIONAL INSURED; OR

(III) THAT MEETS ANY OTHER REQUIREMENTS SET BY THE LANDLORD.

(e) (1) Except for a lease containing an automatic renewal period of 1 month or less, a lease that contains a provision calling for an automatic renewal of the lease term unless prior notice is given by the party or parties seeking to terminate the lease, shall have the provision distinctly set apart from any other provision of the lease and provide a space for the written acknowledgment of the tenant's agreement to the automatic renewal provision.

(2) An automatic renewal provision that is not specifically accompanied by either the tenant's initials, signature, or witnessed mark is unenforceable by the landlord.

(f) No provision of this section shall be deemed to be a bar to the applicability of supplementary rights afforded by any public local law enacted by the General Assembly or any ordinance or local law enacted by any municipality or political subdivision of this State; provided, however, that no such law can diminish or limit any right or remedy granted under the provisions of this section.

(g) (1) Any lease provision which is prohibited by terms of this section shall be unenforceable by the landlord.

(2) If the landlord includes in any lease a provision prohibited by this section or made unenforceable by § 8–105 of this title or § 8–203 of this subtitle, at any time subsequent to July 1, 1975, and tenders a lease containing such a provision or attempts to enforce or makes known to the tenant an intent to enforce any such provision, the tenant may recover any actual damages incurred as a reason thereof, including reasonable attorney's fees.

(h) If any word, phrase, clause, sentence, or any part or parts of this section shall be held unconstitutional by any court of competent jurisdiction such unconstitutionality shall not affect the validity of the remaining parts of this section.

(I) (1) IF A TENANT FAILS TO COMPLY WITH THE LEASE REQUIREMENT DESCRIBED UNDER PARAGRAPH (C)(4) OF THIS SECTION, THE LANDLORD SHALL ACQUIRE A RENTER'S INSURANCE POLICY ON BEHALF OF THE TENANT.

(2) A LANDLORD WHO ACQUIRES A RENTER'S INSURANCE POLICY ON BEHALF OF A TENANT UNDER PARAGRAPH (1) OF THIS SUBSECTION MAY CHARGE THE INSURANCE PREMIUM TO THE TENANT UNTIL THE TENANT ACQUIRES A RENTER'S INSURANCE POLICY.

(3) A LANDLORD MAY NOT BE THE BENEFICIARY, AN INSURED PARTY, OR AN ADDITIONAL INSURED OF A RENTER'S INSURANCE POLICY ACQUIRED UNDER PARAGRAPH (1) OF THIS SUBSECTION.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2024.