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**By:** ~~Delegate Krysiak~~ Delegates Krysiak, Kirk, Frank, Redmer, Klausmeier, Ports, and Boston

Introduced and read first time: February 7, 1997

Assigned to: Economic Matters

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Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 4, 1997

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CHAPTER \_\_\_\_

1 AN ACT concerning

2 ~~Baltimore City – Residential Leases – Tenant Liability Landlord and Tenant -~~

3 ~~Prohibition on Liquidated Damages Clauses in Baltimore City - Repeal~~

4 FOR the purpose of ~~altering the maximum number of months of rent for which a tenant~~  
5 ~~may be liable to a landlord under certain circumstances; and generally relating to~~  
6 ~~tenant liability under residential leases~~ repealing the prohibition on certain  
7 liquidated damages clauses in certain residential leases in Baltimore City; repealing  
8 certain provisions of law relating to the prohibition on the liquidated damages  
9 clauses; repealing a certain cap on a certain liability of certain tenants in Baltimore  
10 City; and generally relating to landlords and tenants.

11 BY repealing ~~and reenacting, with amendments,~~

12 Article - Real Property

13 Section 8-212

14 Annotated Code of Maryland

15 (1996 Replacement Volume and 1996 Supplement)

16 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF

17 MARYLAND, That the Laws of Maryland read as follows:

18 **Article - Real Property**

19 ~~8-212.~~

20 (a) ~~In Baltimore City, a liquidated damages clause or penalty clause in a~~  
21 ~~residential lease is not enforceable. If a tenant fails or refuses to take possession of or~~  
22 ~~vacates the dwelling unit before the end of his term, the tenant is liable to the landlord~~  
23 ~~for loss of rent caused by the termination or [two] 6 months' rent, whichever is less, in~~

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1 ~~addition to the cost of repairing damage to the premises which may have been caused by~~  
2 ~~an act or omission of the tenant.~~

3 ~~(b) A residential lease of property in Baltimore City entered into after July 1,~~  
4 ~~1975, may not contain a liquidated damages clause or a penalty clause.~~

5 ~~(c) In Baltimore City, in determining the existence of a liquidated damages clause~~  
6 ~~or a penalty clause, all provisions shall be strictly construed to be a liquidated damages~~  
7 ~~clause or a penalty clause.~~

8 ~~(d) The provisions in this section may not be waived in any residential lease of~~  
9 ~~property or space in Baltimore City.~~

10 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
11 October 1, 1997.