

---

**By: Delegates Redmer, Klausmeier, Ports, Krysiak, and Boston**

Introduced and read first time: February 3, 1997

Assigned to: Economic Matters

---

A BILL ENTITLED

1 AN ACT concerning

2 **Landlord and Tenant - Prohibition on Liquidated Damages Clauses in Baltimore City -**  
3 **Repeal**

4 FOR the purpose of repealing certain provisions of law relating to prohibiting certain  
5 liquidated damages clauses in certain residential leases in Baltimore City.

6 BY repealing

7 Article - Real Property

8 Section 8-212

9 Annotated Code of Maryland

10 (1996 Replacement Volume and 1996 Supplement)

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

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

13 **Article - Real Property**

14 [8-212.

15 (a) In Baltimore City, a liquidated damages clause or penalty clause in a  
16 residential lease is not enforceable. If a tenant fails or refuses to take possession of or  
17 vacates the dwelling unit before the end of his term, the tenant is liable to the landlord  
18 for loss of rent caused by the termination or two months' rent, whichever is less, in  
19 addition to the cost of repairing damage to the premises which may have been caused by  
20 an act or omission of the tenant.

21 (b) A residential lease of property in Baltimore City entered into after July 1,  
22 1975, may not contain a liquidated damages clause or a penalty clause.

23 (c) In Baltimore City, in determining the existence of a liquidated damages clause  
24 or a penalty clause, all provisions shall be strictly construed to be a liquidated damages  
25 clause or a penalty clause.

26 (d) The provisions in this section may not be waived in any residential lease of  
27 property or space in Baltimore City.]

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