

Department of Fiscal Services
Maryland General Assembly

FISCAL NOTE
Revised

House Bill 1158 (Delegate Barve)
Economic Matters

Referred to Judicial Proceedings

Landlord and Tenant - Accrual of Unpaid Rent and Late Fees

This enrolled bill authorizes a landlord, when filing a complaint against a tenant to repossess any premises, to file for costs and any due and unpaid late fees owed by a tenant. The bill provides that the District Court shall determine the amount of late fees owed, including any late fees and rent accruing after a complaint is filed. The court shall also specify the amount of rent due for each rental period under the lease, the day that the rent is due for each rental period, and any late fees for overdue rent payments. When a landlord is awarded a judgment granting restitution for any premises, a tenant has the right to redemption of any leased premises at any time before the execution of an eviction order by tendering all past due rent and late fees as determined by the court.

Fiscal Summary

State Effect: Indeterminate but significant increase in expenditures as discussed below. Revenues would not be affected.

Local Effect: Indeterminate but potentially significant increase in expenditures as discussed below. Revenues would not be affected.

Small Business Effect: Potential meaningful impact on small business landlords as discussed below.

Fiscal Analysis

State Expenditures: The District Court processes approximately 600,000 failure to pay rent cases per year. The inclusion of late fees could result in an increase in trial time for the District Court as these fees may be challenged in many cases. Calculating the amount of rent and late fees accruing from the filing date of the complaint could place a significant burden

on the resources of the District Court. It is estimated that approximately 450,000 cases would be involved with this process, or approximately 75% of all failure to pay rent cases. While this bill will cause significant additional resources to be expended by the District Court, a specific estimate as to the amount of time, personnel, and facilities that may be involved cannot be reliably projected at this time. The inclusion of late fees as part of a claim for rent would not have a significant impact on the forms that the District Court prints for these claims as forms are periodically modified and printed.

Local Expenditures: Local governments could be impacted to the extent that Sheriffs would be required to calculate any rent and late fees that are owed to landlords. Any specific impact is indeterminate.

Small Business Effect: This bill enables a landlord to claim late fees in a complaint against a tenant for failure to pay rent. Landlords could be positively affected to the extent that they collect late fees as authorized by the bill.

Information Sources: Office of the Attorney General (Consumer Protection Division), Judiciary (District Court of Maryland), Department of Fiscal Services

Fiscal Note History: First Reader - February 18, 1997
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