

Department of Legislative Services
Maryland General Assembly
2008 Session

FISCAL AND POLICY NOTE

House Bill 800 (Delegate Simmons)
Environmental Matters

Landlord and Tenant - Right of Redemption - Nonresidential Leased Premises

This bill alters the current right of redemption of leased premises for tenants by excluding a tenant of nonresidential leased premises if a judgment of possession has been entered against the tenant for rent due and unpaid in the 12 months prior to initiation of an action by the landlord.

Fiscal Summary

State Effect: The bill would not directly affect State finances or operations. If the Attorney General's Office receives fewer than 50 complaints per year stemming from the bill, the additional workload could be handled with existing resources.

Local Effect: The bill would not directly affect local finances or operations.

Small Business Effect: Potential meaningful.

Analysis

Current Law/Background: Whenever a tenant fails to pay rent when it is due and payable, the landlord is entitled to repossess the premises through the statutory eviction process. As part of this process, State law grants tenants the right to redeem the lease prior to eviction. In an action of summary ejection for failure to pay rent where the landlord is awarded a judgment of restitution, the tenant has the right to redeem the leased premises by tendering to the landlord all past due amounts in cash, certified check, or money order, plus all court awarded costs and fees, at any time before actual execution of the eviction order. Tenants who have had three judgments of possession for unpaid

rent due entered against them in the 12 months prior to the initiation of an eviction action do not have this right of redemption. Current law does not distinguish between residential and commercial tenants with respect to the right of redemption for leases.

Small Business Effect: Under the bill, small businesses who are tenants would no longer have the statutory right of redemption for leases in situations where they have had a judgment for unpaid rent entered against them in the 12 months prior to initiation of an eviction action. The bill would apply to tenants of premises that are leased for business, commercial, manufacturing, mercantile, or industrial purposes, or any other purpose that is not primarily residential.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Judiciary (Administrative Office of the Courts), Office of the Attorney General (Consumer Protection Division), Department of Legislative Services

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mll/jr

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