

Department of Legislative Services
Maryland General Assembly
2014 Session

FISCAL AND POLICY NOTE

Senate Bill 174 (Senator Brochin)
Judicial Proceedings

Real Property - Right to Redemption of Leased Premises - Forms of Payment

This bill authorizes a landlord or mobile home park owner to require payment by certified check or money order from a tenant or resident exercising a right to redemption in an action of summary ejectment for failure to pay rent if the landlord or park owner meets specified notice requirements. A tenant or resident may tender cash if the landlord or park owner does not meet the bill's notice requirements.

The bill takes effect January 1, 2015.

Fiscal Summary

State Effect: The bill does not directly affect State governmental operations and finances.

Local Effect: The bill does not directly affect local governmental operations and finances.

Small Business Effect: Minimal.

Analysis

Bill Summary: A landlord or park owner may require payment by certified check or money order if the landlord or park owner:

- provides notice of the payment requirement in the lease, set apart from any other provision of the lease, and separately signed or initialed by the tenant or resident;
- posts notice of the payment requirement in all locations where tenants or residents may pay rent;

- includes notice of the payment requirement in the warrant of restitution ordered by the landlord or park owner after the court awards restitution of the premises to the landlord or park owner;
- sends notice by first-class mail, to the tenant or resident, of the payment requirement and date of eviction at least 14 days in advance of the warrant of restitution's scheduled date of execution or, in Baltimore City, includes the notice in the notice of pending disposition required under the Baltimore City Code;
- if local law requires a notice of eviction, includes notice of the payment requirement in the notice of eviction; and
- credits \$4 against the redemption amount determined by the court.

Current Law: 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 and Baltimore City 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.

A resident in a mobile home park has an identical right to redemption.

Additional Information

Prior Introductions: SB 407 of 2013, a similar bill, received a hearing from the Senate Judicial Proceedings Committee but received no further action. HB 619 of 2012, another similar bill, received an unfavorable report from the House Environmental Matters Committee. HB 1226 of 2011, which would have eliminated payment by cash but did not have any notice provisions, received an unfavorable report from the House Environmental Matters Committee.

Cross File: None.

Information Source(s): Baltimore City; Caroline, Howard, Montgomery, and Prince George's counties; Office of the Attorney General (Consumer Protection Division); Judiciary (Administrative Office of the Courts); Department of Legislative Services

Fiscal Note History: First Reader - January 28, 2014
mam/kdm

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