

SENATE BILL 366

N1
SB 493/18 – JPR

9lr1884

By: **Senators West, Bailey, Carozza, Eckardt, Gallion, Hough, Reilly, Salling, and Serafini**

Introduced and read first time: January 31, 2019

Assigned to: Judicial Proceedings

A BILL ENTITLED

1 AN ACT concerning

2 **Real Property – Residential Leases – Collectible Rent**
3 **(Rent Transparency Act)**

4 FOR the purpose of authorizing a landlord who uses a written lease to collect certain fees
5 and charges as rent under certain conditions; providing that this Act applies only if
6 the written lease used by a landlord includes a certain provision and provides a
7 certain notice; requiring a lease to include notice of the ratio utility billing system
8 used to allocate certain charges, under certain circumstances; requiring a landlord
9 who uses a ratio utility billing system, on written request, to provide a tenant with
10 information to document a bill for utilities; prohibiting a landlord from filing a
11 certain complaint for repossession under certain circumstances; and generally
12 relating to residential leases.

13 BY repealing and reenacting, with amendments,
14 Article – Real Property
15 Section 8–208 and 8–401(a)
16 Annotated Code of Maryland
17 (2015 Replacement Volume and 2018 Supplement)

18 BY adding to
19 Article – Real Property
20 Section 8–402.1(d)
21 Annotated Code of Maryland
22 (2015 Replacement Volume and 2018 Supplement)

23 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
24 That the Laws of Maryland read as follows:

25 **Article – Real Property**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 8–208.

2 (a) (1) On or after October 1, 1999, any landlord who offers 5 or more dwelling
3 units for rent in the State may not rent a residential dwelling unit without using a written
4 lease.

5 (2) If a landlord fails to comply with paragraph (1) of this subsection, the
6 term of the tenancy is presumed to be 1 year from the date of the tenant's first occupancy
7 unless the tenant elects to end the tenancy at an earlier date by giving 1 month's written
8 notice.

9 (b) A landlord who rents using a written lease shall provide, upon written request
10 from any prospective applicant for a lease, a copy of the proposed form of lease in writing,
11 complete in every material detail, except for the date, the name and address of the tenant,
12 the designation of the premises, and the rental rate without requiring execution of the lease
13 or any prior deposit.

14 (c) A lease shall include:

15 (1) A statement that the premises will be made available in a condition
16 permitting habitation, with reasonable safety, if that is the agreement, or if that is not the
17 agreement, a statement of the agreement concerning the condition of the premises;

18 (2) The landlord's and the tenant's specific obligations as to heat, gas,
19 electricity, water, and repair of the premises; and

20 (3) A receipt for the security deposit as specified in § 8–203.1 of this
21 subtitle.

22 (d) A landlord may not use a lease or form of lease containing any provision that:

23 (1) Has the tenant authorize any person to confess judgment on a claim
24 arising out of the lease;

25 (2) Has the tenant agree to waive or to forego any right or remedy provided
26 by applicable law;

27 (3) (i) Provides for a penalty for the late payment of rent in excess of
28 5% of the amount of rent due for the rental period for which the payment was delinquent;
29 or

30 (ii) In the case of leases under which the rent is paid in weekly rental
31 installments, provides for a late penalty of more than \$3 per week or a total of no more than
32 \$12 per month;

33 (4) Has the tenant waive the right to a jury trial;

1 (5) Has the tenant agree to a period required for landlord's notice to quit
2 which is less than that provided by applicable law; provided, however, that neither party is
3 prohibited from agreeing to a longer notice period than that required by applicable law;

4 (6) Authorizes the landlord to take possession of the leased premises, or
5 the tenant's personal property unless the lease has been terminated by action of the parties
6 or by operation of law, and the personal property has been abandoned by the tenant without
7 the benefit of formal legal process;

8 (7) Is against public policy and void pursuant to § 8–105 of this title; or

9 (8) Permits a landlord to commence an eviction proceeding or issue a notice
10 to quit solely as retaliation against any tenant for planning, organizing, or joining a tenant
11 organization with the purpose of negotiating collectively with the landlord.

12 (e) (1) Except for a lease containing an automatic renewal period of 1 month
13 or less, a lease that contains a provision calling for an automatic renewal of the lease term
14 unless prior notice is given by the party or parties seeking to terminate the lease, shall
15 have the provision distinctly set apart from any other provision of the lease and provide a
16 space for the written acknowledgment of the tenant's agreement to the automatic renewal
17 provision.

18 (2) An automatic renewal provision that is not specifically accompanied by
19 either the tenant's initials, signature, or witnessed mark is unenforceable by the landlord.

20 **(F) (1) SUBJECT TO PARAGRAPHS (2) AND (3) OF THIS SUBSECTION, A**
21 **LANDLORD WHO USES A WRITTEN LEASE MAY COLLECT AS RENT ANY FEE OR**
22 **CHARGE OWED TO THE LANDLORD UNDER THE LEASE, INCLUDING:**

23 **(I) ELECTRIC, SEWER, WATER, AND OTHER UTILITY CHARGES,**
24 **TOGETHER WITH ALL TAXES, LEVIES, SURCHARGES, AND OTHER CHARGES RELATED**
25 **TO UTILITY SERVICES;**

26 **(II) CHARGES FOR OIL, GAS, AND OTHER FUELS USED AT THE**
27 **PROPERTY; AND**

28 **(III) FINES IMPOSED BY A HOMEOWNERS ASSOCIATION,**
29 **CONDOMINIUM, OR UNIT OF STATE OR LOCAL GOVERNMENT FOR CODE VIOLATIONS**
30 **OR OTHER VIOLATIONS THAT RELATE TO CONDITIONS AT THE PROPERTY THAT ARE**
31 **THE RESPONSIBILITY OF THE TENANT AND WITHIN THE TENANT'S CONTROL, SUCH**
32 **AS TRASH STORAGE AND REMOVAL, GRASS AND WEED CUTTING, AND HAZARDOUS**
33 **MATERIALS STORAGE.**

34 **(2) THIS SUBSECTION APPLIES ONLY IF THE WRITTEN LEASE USED BY**
35 **THE LANDLORD:**

1 **(I) INCLUDES A PROVISION, DISTINCTLY SET APART FROM THE**
2 **OTHER PROVISIONS OF THE LEASE, IDENTIFYING THE FEES AND CHARGES THAT ARE**
3 **COLLECTIBLE AS RENT UNDER THE LEASE; AND**

4 **(II) NOTIFIES THE TENANT THAT THE FAILURE TO PAY ANY FEE**
5 **OR CHARGE COLLECTIBLE AS RENT UNDER THE LEASE MAY RESULT IN THE**
6 **EVICION OF THE TENANT UNDER § 8-401 OR § 8-402.1 OF THIS TITLE.**

7 **(3) (I) IF ANY FEE OR CHARGE LISTED IN PARAGRAPH (1)(I) OR (II)**
8 **OF THIS SUBSECTION IS BILLED THROUGH A RATIO UTILITY BILLING SYSTEM, THE**
9 **LEASE SHALL INCLUDE NOTICE OF THE SYSTEM USED TO ALLOCATE THE CHARGES.**

10 **(II) ON WRITTEN REQUEST, A LANDLORD WHO USES A RATIO**
11 **UTILITY BILLING SYSTEM SHALL PROVIDE A TENANT WITH INFORMATION TO**
12 **DOCUMENT A BILL FOR UTILITIES.**

13 **[(f)] (G)** No provision of this section shall be deemed to be a bar to the
14 applicability of supplementary rights afforded by any public local law enacted by the
15 General Assembly or any ordinance or local law enacted by any municipality or political
16 subdivision of this State; provided, however, that no such law can diminish or limit any
17 right or remedy granted under the provisions of this section.

18 **[(g)] (H) (1)** Any lease provision which is prohibited by terms of this section
19 shall be unenforceable by the landlord.

20 **(2)** If the landlord includes in any lease a provision prohibited by this
21 section or made unenforceable by § 8-105 of this title or § 8-203 of this subtitle, at any time
22 subsequent to July 1, 1975, and tenders a lease containing such a provision or attempts to
23 enforce or makes known to the tenant an intent to enforce any such provision, the tenant
24 may recover any actual damages incurred as a reason thereof, including reasonable
25 attorney's fees.

26 **[(h)] (I)** If any word, phrase, clause, sentence, or any part or parts of this section
27 shall be held unconstitutional by any court of competent jurisdiction such
28 unconstitutionality shall not affect the validity of the remaining parts of this section.

29 8-401.

30 **(a) (1) [Whenever] EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS**
31 **SUBSECTION, WHENEVER** the tenant or tenants fail to pay the rent when due and payable,
32 it shall be lawful for the landlord to have again and repossess the premises.

33 **(2) A LANDLORD MAY NOT FILE A COMPLAINT FOR REPOSSESSION**
34 **UNDER THIS SECTION IF THE ONLY UNPAID AMOUNT COLLECTIBLE AS RENT IS A FEE**

1 **OR CHARGE FOR WATER OF LESS THAN \$50.**

2 8-402.1.

3 **(D) A LANDLORD MAY NOT FILE A COMPLAINT FOR REPOSSESSION UNDER**
4 **THIS SECTION IF THE TENANT'S ONLY BREACH OF THE LEASE IS A FAILURE TO PAY**
5 **TO THE LANDLORD A FEE OR CHARGE FOR WATER OF LESS THAN \$50.**

6 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
7 October 1, 2019.