

Department of Legislative Services
Maryland General Assembly
2021 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 942 (Delegate Conaway)
Environment and Transportation

Commercial Leases - Grounds for Termination by Tenant

This bill prohibits a landlord that leases a property for any primary purpose that is not residential (*e.g.*, business, commercial, manufacturing, mercantile, or industrial) from charging, or causing a tenant to be charged, for electricity usage *unless* the charge is in accordance with the terms of a written lease. If, after receiving specified notice of a violation, a landlord commits a second or subsequent violation, the tenant may terminate the lease without penalty. The termination must take effect immediately upon written notice to the landlord.

Fiscal Summary

State Effect: The bill is not anticipated to materially affect State government operations or finances.

Local Effect: The bill is not anticipated to materially affect local government operations or finances.

Small Business Effect: Potential meaningful.

Analysis

Current Law: There is no specifically relevant current law in statute.

Small Business Effect: Landlords in violation of the bill's provisions are subject to immediate termination of a lease under specified circumstances. Small business tenants

that are charged for electricity usage in a manner inconsistent with a written lease are afforded an immediate remedy without penalty upon a repeated violation by a landlord.

Additional Information

Prior Introductions: None.

Designated Cross File: None.

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

Fiscal Note History: First Reader - February 18, 2021
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