

# SENATE BILL 130

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(PRE-FILED)

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By: **Senator Ellis**

Requested: November 1, 2020

Introduced and read first time: January 13, 2021

Assigned to: Judicial Proceedings

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## A BILL ENTITLED

AN ACT concerning

### **Landlord and Tenant – Failure to Pay Rent – Fee Limit During Emergencies**

FOR the purpose of prohibiting a landlord from assessing certain late fees for the failure of a tenant to pay rent under certain circumstances and following certain notice from the tenant; requiring a tenant to provide certain documents to a landlord for a certain purpose; requiring a tenant to provide certain notice with each missed rent payment in order to avoid an assessment of certain late fees; authorizing a landlord to reasonably request certain documents from a tenant for a certain purpose; authorizing a landlord to use certain information from certain sources for a certain purpose; altering the calculation of certain awards to which a landlord may be entitled in certain civil cases; stating the intent of the General Assembly; providing for the application of this Act; and generally relating to fees or charges for the late payment of rent.

BY adding to

Article – Real Property

Section 8–208.4

Annotated Code of Maryland

(2015 Replacement Volume and 2020 Supplement)

BY repealing and reenacting, without amendments,

Article – Real Property

Section 8–401(a)

Annotated Code of Maryland

(2015 Replacement Volume and 2020 Supplement)

BY repealing and reenacting, with amendments,

Article – Real Property

Section 8–401(b)(1)(iii) and (iv) and (c)(2)(ii) and (iii)

Annotated Code of Maryland

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



(2015 Replacement Volume and 2020 Supplement)

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

**Article – Real Property**

**8–208.4.**

**(A) IN THIS SECTION, “IMPACTED TENANT” MEANS A RESIDENTIAL TENANT WHO SUFFERS A JOB LOSS OR A REDUCTION IN HOUSEHOLD INCOME OF AT LEAST 50% AT A TIME WHEN THE STATE IS UNDER A PROCLAMATION ISSUED UNDER TITLE 14 OF THE PUBLIC SAFETY ARTICLE.**

**(B) THIS SECTION APPLIES FOR THE ENTIRE DURATION OF A DECLARED STATE OF EMERGENCY, CATASTROPHIC HEALTH EMERGENCY, OR OTHER EVENT DECLARED UNDER TITLE 14 OF THE PUBLIC SAFETY ARTICLE THAT IS RENEWED, UNINTERRUPTED, FOR A PERIOD OF AT LEAST 4 MONTHS, AND FOR A PERIOD OF 9 MONTHS AFTER THE END OF THE STATE OF EMERGENCY, CATASTROPHIC HEALTH EMERGENCY, OR OTHER EVENT UNDER TITLE 14 OF THE PUBLIC SAFETY ARTICLE.**

**(C) (1) IF AN IMPACTED TENANT FAILS TO MAKE A RENT PAYMENT AS REQUIRED BY A LEASE AGREEMENT AND PROVIDES WRITTEN NOTICE TO THE LANDLORD OF THE TENANT’S STATUS AS AN IMPACTED TENANT, A LANDLORD MAY NOT DEMAND OR BE ENTITLED TO A FEE OR CHARGE FOR LATE PAYMENT OF RENT.**

**(2) IN ORDER TO AVOID THE ASSESSMENT OF LATE FEES FOR A FAILURE TO PAY RENT, A TENANT SHALL PROVIDE NOTICE AS REQUIRED UNDER PARAGRAPH (1) OF THIS SECTION EACH TIME A RENT PAYMENT IS DUE AND THE TENANT IS UNABLE TO MAKE A PAYMENT.**

**(D) (1) A LANDLORD MAY MAKE A REASONABLE REQUEST FOR DOCUMENTS SUPPORTING A TENANT’S CLAIM THAT THE TENANT IS AN IMPACTED TENANT INCLUDING:**

**(I) A NOTICE FROM THE TENANT’S FORMER EMPLOYER INDICATING THAT THE TENANT’S EMPLOYMENT HAS ENDED;**

**(II) A NOTICE FROM THE TENANT’S CURRENT EMPLOYER INDICATING THAT THE TENANT’S SCHEDULED HOURS HAVE BEEN REDUCED;**

**(III) BANK STATEMENTS, WITH ACCOUNT NUMBERS REDACTED BY THE TENANT; AND**

**(IV) ANY OTHER DOCUMENT THAT DEMONSTRATES THAT THE TENANT IS AN IMPACTED TENANT UNDER THIS SECTION.**

**(2) A LANDLORD MAY USE INFORMATION FROM A TENANT'S APPLICATION OR OTHER AVAILABLE SOURCES TO VERIFY THE TENANT'S STATUS AS AN IMPACTED TENANT.**

8-401.

(a) Whenever the tenant or tenants fail to pay the rent when due and payable, it shall be lawful for the landlord to have again and repossess the premises.

(b) (1) Whenever any landlord shall desire to repossess any premises to which the landlord is entitled under the provisions of subsection (a) of this section, the landlord or the landlord's duly qualified agent or attorney shall file the landlord's written complaint under oath or affirmation, in the District Court of the county wherein the property is situated:

(iii) Stating the amount of rent and any late fees due and unpaid, less the amount of any utility bills, fees, or security deposits paid by a tenant under § 7-309 of the Public Utilities Article **AND THE AMOUNT OF ANY LATE FEES THAT MAY NOT BE CHARGED TO THE TENANT UNDER § 8-208.4 OF THIS TITLE;**

(iv) Requesting to repossess the premises and, if requested by the landlord, a judgment for the amount of rent due, costs, and any late fees, less the amount of any utility bills, fees, or security deposits paid by a tenant under § 7-309 of the Public Utilities Article **AND THE AMOUNT OF ANY LATE FEES THAT MAY NOT BE CHARGED TO THE TENANT UNDER § 8-208.4 OF THIS TITLE;**

(c) (2) (ii) If, when the trial occurs, it appears to the satisfaction of the court, that the rent, or any part of the rent and late fees are actually due and unpaid, the court shall determine the amount of rent and late fees due as of the date the complaint was filed less the amount of any utility bills, fees, or security deposits paid by a tenant under § 7-309 of the Public Utilities Article **AND THE AMOUNT OF ANY LATE FEES THAT MAY NOT BE CHARGED TO THE TENANT UNDER § 8-208.4 OF THIS TITLE**, if the trial occurs within the time specified by subsection (b)(3) of this section.

(iii) 1. If the trial does not occur within the time specified in subsection (b)(3)(i) of this section and the tenant has not become current since the filing of the complaint, the court, if the complaint so requests, shall enter a judgment in favor of the landlord for possession of the premises and determine the rent and late fees due as of the trial date.

2. The determination of rent and late fees shall include the following:

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- A. Rent claimed in the complaint;
- B. Rent accruing after the date of the filing of the complaint;
- C. Late fees accruing in or prior to the month in which the complaint was filed **LESS THE AMOUNT OF ANY LATE FEES THAT MAY NOT BE CHARGED TO THE TENANT UNDER § 8-208.4 OF THIS TITLE**; and
- D. Credit for payments of rent and late fees and other fees, utility bills, or security deposits paid by a tenant under § 7-309 of the Public Utilities Article after the complaint was filed.

SECTION 2. AND BE IT FURTHER ENACTED, That it is the intent of the General Assembly that the provisions of this Act apply retroactively, to the extent authorized by law, to a claim for failure to pay rent arising after March 5, 2020.

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect June 1, 2021.