

HOUSE BILL 853

N1

4lr0988

By: **Delegates Allen, Stewart, Boaf, Grossman, J. Lewis, J. Long, and Ruth**
Introduced and read first time: February 2, 2024
Assigned to: Environment and Transportation

A BILL ENTITLED

AN ACT concerning

Residential Leases – Late Payment Penalties – Calculation

FOR the purpose of altering a prohibition concerning the maximum penalty for the late payment of rent that a landlord may charge in a residential lease to prohibit a penalty in excess of a certain percentage of the amount of the unpaid rent rather than of the amount due; and generally relating to residential leases and penalties for the late payment of rent.

BY repealing and reenacting, without amendments,

Article – Real Property
Section 8–201 and 8–208(g)
Annotated Code of Maryland
(2023 Replacement Volume)

BY repealing and reenacting, with amendments,

Article – Real Property
Section 8–208(d)(3)
Annotated Code of Maryland
(2023 Replacement Volume)

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

Article – Real Property

8–201.

(a) This subtitle is applicable only to residential leases unless otherwise provided.

(b) This subtitle does not apply to a tenancy arising after the sale of owner-occupied residential property where the seller and purchaser agree that the seller

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



may remain in possession of the property for a period of not more than 60 days after the settlement.

8–208.

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

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

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

(g) (1) Any lease provision which is prohibited by terms of this section shall be unenforceable by the landlord.

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

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2024.