

Chapter 580

(House Bill 273)

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 and 2024 Supplement)

BY repealing and reenacting, with amendments,
Article – Real Property
Section 8–208(d)(3)
Annotated Code of Maryland
(2023 Replacement Volume and 2024 Supplement)

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 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, 2025.

Approved by the Governor, May 13, 2025.