

Real Property Section

To: Environment and Transportation Committee

From: Legislative Committee of the Real Property Section Counsel

Date: March 3, 2023 [Hearing Date March 7, 2023]

Subject: HB 1220 – Commercial Leases - Force Majeure Clauses - Required

Position: Opposed

The Real Property Section Counsel of the Maryland State Bar Association (MSBA) **opposes House Bill 1220 – Commercial Leases - Force Majeure Clauses - Required**. The bill seeks to require a "force majeure" clause in all commercial leases. The parties in a commercial transaction should be free to negotiate their own leases and the terms on which the parties are excused from performance. The legislature should not be choosing winners and lose in a commercial lease transaction. Many commercial tenants prospered in spite of the public health emergency. Would it be fair to allow such commercial tenants to also stop paying rent?

For these reasons, the Real Property Section Counsel of the MSBA **opposes HB 1220** and asks for an **unfavorable report**. Thank you for your consideration.