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BILL NO.: **HB 853**

TITLE: Residential Leases – Late Payment Penalties – Calculation

SPONSOR: Delegate Allen

COMMITTEE: Environment and Transportation

POSITION: **SUPPORT**

DATE: February 27, 2024

Baltimore County **SUPPORTS** House Bill 853 – Residential Leases – Late Payment Penalties - Calculation. Under current law, a landlord may charge a penalty for the late payment of rent, but that penalty cannot exceed 5% of the amount due. HB 853 would tweak the current law so that the penalty cannot exceed 5% of the amount of unpaid rent.

Baltimore County prioritizes housing stability and the protection of renters from unfair and unjust treatment. This legislation closes an existing loophole which allows landlords to include the current month’s rent in their calculation of the 5% penalty. The calculation of a penalty for late rent should only include rent that is actually late. The change proposed by this legislation would decrease the total potential amount of the penalty, making it likely that the tenant will be able to pay off their overdue rent and maintain their current housing.

HB 853 is a common-sense tenant protection that will keep tenants housed and prevent landlords from taking advantage of a statutory loophole to create and collect additional monetary penalties. It is crucial that given the ongoing housing crisis, renters are afforded necessary security and State and Local governments are collaborating to keep their most vulnerable residents housed.

Accordingly, Baltimore County urges a **FAVORABLE** report on HB 853 from the House Environment and Transportation Committee. For more information, please contact Jenn Aiosa, Director of Government Affairs at jaiosa@baltimorecountymd.gov.