



HB 273 - Residential Leases - Late Payment Penalties - Calculation
Hearing before the House Environment and Transportation Committee
January 28, 2025, 2:00PM
Position: Favorable

The Pro Bono Resource Center of Maryland (“PBRC”), an independent 501(c)(3) non-profit organization, is the statewide thought leader and clearinghouse for pro bono civil legal services in Maryland. As the designated pro bono arm of the MSBA, PBRC provides training, mentorship, and pro bono service opportunities to members of the private bar and offers direct legal services to over 6,200 clients annually.

In May 2017, with a grant from the Maryland Judiciary’s Access to Justice Department, PBRC launched the **Tenant Volunteer Lawyer of the Day (TVLD) Program** in Baltimore City Rent Court to provide day-of-court legal representation to tenants who appear unrepresented for eviction-related proceedings. Since then, this continually expanding Program has allowed PBRC staff and volunteer attorneys to represent thousands of low-income tenants in both Baltimore City and Baltimore County in multiple types of legal actions that could result in eviction.

HB 273 creates a simple change to Real Property § 8-208, which will clarify that late fees on past due rent cannot exceed 5% of the amount of **UNPAID** rent due for the period for which the payment was delinquent. **We support this Bill as an effective means of closing a loophole and ensuring more fairness in the current housing law.** The majority of TLVD’s clients are representative of the approximately 53% of Maryland renters who must spend more than 30% of their monthly income on housingⁱ. For these tenants, paying rent each month is a struggle and often involves making hard decisions about which bills or necessities to prioritize. Many make partial rent payments as they are able and are charged late fees as provided in their leases. Common sense dictates that these tenants should only be charged late fees on the rent remaining unpaid. HB 273 simply clarifies the current law to ensure that outcome.

For many tenants in Maryland, only a few dollars can make the difference between staying housed or facing eviction. The clarification contained within HB 273 will ensure that tenants only pay late fees on rental obligations that are actually outstanding. In addition to being fair, this distinction could be significant enough to make the difference between staying housed or facing eviction. For these reasons, we urge a Favorable report on HB 273.

For the above reasons,
PBRC urges a FAVORABLE report on HB 273.
Please contact Katie Davis, Director of PBRC’s Courtroom Advocacy Project, with any questions.
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ⁱ American Community Survey data for 2023 (<https://data.census.gov/>)