

HOUSE BILL 580

N1

8lr2607
CF SB 250

By: **Delegate Lafferty**

Introduced and read first time: January 29, 2018

Assigned to: Environment and Transportation

A BILL ENTITLED

1 AN ACT concerning

2 **Landlord and Tenant – Prohibited Lease Provisions – Late Fees for Tenants**
3 **Receiving Government Benefits**

4 FOR the purpose of prohibiting a landlord from including a certain provision in a
5 residential lease that provides for a penalty for the late payment of rent under
6 certain circumstances; defining the term “government benefit”; and generally
7 relating to late fees for tenants receiving government benefits.

8 BY repealing and reenacting, with amendments,
9 Article – Real Property
10 Section 8–208(d)
11 Annotated Code of Maryland
12 (2015 Replacement Volume and 2017 Supplement)

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

15 **Article – Real Property**

16 8–208.

17 (d) (1) IN THIS SUBSECTION, “GOVERNMENT BENEFIT” MEANS:

18 (I) TEMPORARY CASH ASSISTANCE, FOOD STAMPS, OR OTHER
19 ASSISTANCE RECEIVED UNDER TITLE 5 OF THE HUMAN SERVICES ARTICLE;

20 (II) SUPPLEMENTAL SECURITY INCOME;

21 (III) SOCIAL SECURITY DISABILITY INCOME;

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



- 1 (IV) UNEMPLOYMENT INSURANCE BENEFITS;
2 (V) VETERANS ADMINISTRATION BENEFITS;
3 (VI) SOCIAL SECURITY BENEFITS; OR
4 (VII) TRANSITIONAL EMERGENCY, MEDICAL, AND HOUSING
5 ASSISTANCE.

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

8 [(1)] (I) Has the tenant authorize any person to confess judgment on a
9 claim arising out of the lease;

10 [(2)] (II) Has the tenant agree to waive or to forego any right or remedy
11 provided by applicable law;

12 [(3) (i)] (III) 1. Provides for a penalty for the late payment of rent
13 in excess of 5% of the amount of rent due for the rental period for which the payment was
14 delinquent; [or]

15 2. IN THE CASE OF A LEASE WITH A TENANT WHO
16 RECEIVES A GOVERNMENT BENEFIT, PROVIDES FOR A PENALTY FOR THE LATE
17 PAYMENT OF RENT THAT IS IMPOSED BEFORE 5 BUSINESS DAYS AFTER THE DATE
18 THE GOVERNMENT BENEFIT IS ISSUED IF THE TENANT HAS PROVIDED TO THE
19 LANDLORD:

20 A. WRITTEN NOTICE THAT THE GOVERNMENT BENEFIT
21 WAS ISSUED TO THE TENANT AFTER THE DATE THE RENT WAS DUE; AND

22 B. SATISFACTORY EVIDENCE OF THE DATE THE
23 GOVERNMENT BENEFIT WAS ISSUED; OR

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

27 [(4)] (IV) Has the tenant waive the right to a jury trial;

28 [(5)] (V) Has the tenant agree to a period required for landlord's notice to
29 quit which is less than that provided by applicable law; provided, however, that neither
30 party is prohibited from agreeing to a longer notice period than that required by applicable
31 law;

1 **[(6)] (VI)** Authorizes the landlord to take possession of the leased
2 premises, or the tenant's personal property unless the lease has been terminated by action
3 of the parties or by operation of law, and the personal property has been abandoned by the
4 tenant without the benefit of formal legal process;

5 **[(7)] (VII)** Is against public policy and void pursuant to § 8–105 of this title;
6 or

7 **[(8)] (VIII)** Permits a landlord to commence an eviction proceeding or issue
8 a notice to quit solely as retaliation against any tenant for planning, organizing, or joining
9 a tenant organization with the purpose of negotiating collectively with the landlord.

10 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
11 October 1, 2018.