

# HOUSE BILL 315

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By: **Delegates Hixson, Cullison, Gutierrez, Hucker, Kaiser, Luedtke, and A. Miller**

Introduced and read first time: January 24, 2013

Assigned to: Environmental Matters

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## A BILL ENTITLED

1 AN ACT concerning

2 **Residential Leases – Rent Stabilization and Just Cause Evictions**

3 FOR the purpose of prohibiting a landlord from using a lease containing a provision  
4 that requires a tenant to carry renter's insurance naming the landlord as  
5 beneficiary; restricting rental fee increases on certain residential rental units to  
6 a certain percentage of the base rent; providing that a landlord may exceed the  
7 maximum rental fee increase authorized by this Act under certain  
8 circumstances; requiring a landlord to give a certain notice of a certain rental  
9 fee increase; authorizing a tenant to petition the District Court for a certain  
10 relief if a landlord increases a rental fee beyond the limitations imposed by this  
11 Act; authorizing the governing body of any county or Baltimore City to enact a  
12 certain ordinance covering rental fees covered by this Act; prohibiting a certain  
13 landlord from evicting a tenant in the absence of just cause; providing for the  
14 application of this Act; defining certain terms; and generally relating to  
15 residential leases.

16 BY repealing and reenacting, without amendments,  
17 Article – Real Property  
18 Section 8–201  
19 Annotated Code of Maryland  
20 (2010 Replacement Volume and 2012 Supplement)

21 BY repealing and reenacting, with amendments,  
22 Article – Real Property  
23 Section 8–208(d)  
24 Annotated Code of Maryland  
25 (2010 Replacement Volume and 2012 Supplement)

26 BY adding to  
27 Article – Real Property

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 Section 8–209 and 8–216  
2 Annotated Code of Maryland  
3 (2010 Replacement Volume and 2012 Supplement)

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

6 **Article – Real Property**

7 8–201.

8 (a) This subtitle is applicable only to residential leases unless otherwise  
9 provided.

10 (b) This subtitle does not apply to a tenancy arising after the sale of  
11 owner-occupied residential property where the seller and purchaser agree that the  
12 seller may remain in possession of the property for a period of not more than 60 days  
13 after the settlement.

14 8–208.

15 (d) A landlord may not use a lease or form of lease containing any provision  
16 that:

17 (1) Has the tenant authorize any person to confess judgment on a  
18 claim arising out of the lease;

19 (2) Has the tenant agree to waive or to forego any right or remedy  
20 provided by applicable law;

21 (3) (i) Provides for a penalty for the late payment of rent in excess  
22 of 5% of the amount of rent due for the rental period for which the payment was  
23 delinquent; or

24 (ii) 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  
26 no more than \$12 per month;

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

28 (5) 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  
30 neither party is prohibited from agreeing to a longer notice period than that required  
31 by applicable law;

32 (6) Authorizes the landlord to take possession of the leased premises,  
33 or the tenant's personal property unless the lease has been terminated by action of the

1 parties or by operation of law, and the personal property has been abandoned by the  
2 tenant without the benefit of formal legal process;

3 (7) Is against public policy and void pursuant to § 8–105 of this title;  
4 [or]

5 (8) Permits a landlord to commence an eviction proceeding or issue a  
6 notice to quit solely as retaliation against any tenant for planning, organizing, or  
7 joining a tenant organization with the purpose of negotiating collectively with the  
8 landlord; OR

9 (9) **REQUIRES A TENANT TO CARRY RENTER’S INSURANCE**  
10 **NAMING THE LANDLORD AS BENEFICIARY.**

11 **8–209.**

12 (A) (1) **IN THIS SECTION THE FOLLOWING WORDS HAVE THE**  
13 **MEANINGS INDICATED.**

14 (2) **“BASE RENT” MEANS THE RENTAL FEE IN EFFECT FOR A UNIT**  
15 **UNDER THE CURRENT LEASE AGREEMENT.**

16 (3) (I) **“RENTAL FEE” MEANS THE AMOUNT CHARGED TO A**  
17 **TENANT UNDER A LEASE AGREEMENT IN CONNECTION WITH THE USE OR**  
18 **OCCUPANCY OF A RENTAL UNIT AND THE PROVISION OF HOUSING SERVICES.**

19 (II) **“RENTAL FEE” INCLUDES CHARGES TO THE TENANT**  
20 **FOR UTILITY SERVICES, PARKING, AND THE USE OF COMMUNAL OR**  
21 **RECREATIONAL FACILITIES.**

22 (4) **“UNIT” MEANS AN APARTMENT, A TOWNHOUSE, A HOUSE, A**  
23 **MOBILE HOME, OR A MOBILE HOME LOT.**

24 (B) (1) **EXCEPT AS PROVIDED IN SUBSECTION (C) OF THIS SECTION, A**  
25 **LANDLORD RENTING FOUR OR MORE RESIDENTIAL UNITS MAY NOT INCREASE**  
26 **THE RENTAL FEE ON AN OCCUPIED UNIT BEYOND AN AMOUNT THAT IS 5% OF**  
27 **THE BASE RENT.**

28 (2) **ANY PART OF ANY RENTAL FEE INCREASE THAT EXCEEDS 5%**  
29 **OF THE BASE RENT SHALL BE NULL AND VOID.**

30 (C) (1) **A LANDLORD MAY ADD TO THE RENTAL FEE INCREASE**  
31 **AUTHORIZED IN SUBSECTION (B) OF THIS SECTION THE PROPORTIONATE SHARE**

1 OF THE AMOUNT OF ANY INCREASES IN COSTS TO THE LANDLORD RESULTING  
2 FROM:

3 (I) ANY INCREASES IN REAL ESTATE TAXES, WATER AND  
4 SEWERAGE CHARGES, OR UTILITY RATES TAKING EFFECT AFTER THE START OF  
5 THE PREVIOUS LEASE TERM; OR

6 (II) ANY ACTUAL COST OF CAPITAL IMPROVEMENTS  
7 INCURRED AFTER THE START OF THE PREVIOUS LEASE TERM.

8 (2) A LANDLORD SHALL NOTIFY A TENANT OF ANY RENTAL FEE  
9 INCREASE AUTHORIZED UNDER THIS SUBSECTION AND PROVIDE TO THE  
10 TENANT WRITTEN DOCUMENTATION OF THE BASIS ON WHICH THE INCREASE  
11 HAS BEEN CALCULATED.

12 (D) (1) NOTHING IN THIS SECTION MAY BE INTERPRETED AS  
13 LIMITING THE RENTAL FEE A LANDLORD MAY ESTABLISH FOR A VACANT UNIT.

14 (2) A LANDLORD MAY NOT EVICT A TENANT OR REFUSE TO  
15 RENEW A LEASE FOR THE SOLE PURPOSE OF RAISING THE RENTAL FEE ON A  
16 UNIT.

17 (E) (1) A TENANT MAY PETITION THE DISTRICT COURT FOR RELIEF  
18 IF A LANDLORD INCREASES A RENTAL FEE BEYOND THE LIMITATIONS IMPOSED  
19 BY THIS SECTION.

20 (2) THE DISTRICT COURT MAY MAKE ANY ORDERS OR  
21 JUDGMENTS NECESSARY TO PREVENT THE UNLAWFUL INCREASE OF A RENTAL  
22 FEE OR TO RESTORE TO A TENANT ANY MONEY ACQUIRED IN VIOLATION OF THIS  
23 SECTION.

24 (F) THE GOVERNING BODY OF A COUNTY OR BALTIMORE CITY MAY  
25 ENACT ORDINANCES CONCERNING RENTAL FEES COVERED BY THIS SECTION,  
26 WHICH SHALL SUPERSEDE THE PROVISIONS OF THIS SECTION.

27 (G) THIS SECTION DOES NOT APPLY TO:

28 (1) FEDERALLY FINANCED PROJECTS WHERE THE RENT IS  
29 DETERMINED AS A PERCENTAGE OF THE TENANT'S INCOME; OR

30 (2) UNITS OF EDUCATIONAL INSTITUTIONAL HOUSING NOT  
31 OPERATED FOR PROFIT.

1 8-216.

2 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE  
3 MEANINGS INDICATED.

4 (2) (I) "EVICT" MEANS TO TAKE ANY ACTION TO REMOVE A  
5 TENANT FROM A RENTAL UNIT AND TERMINATE THE TENANCY AGAINST THE  
6 TENANT'S WILL.

7 (II) "EVICT" INCLUDES THE REFUSAL BY A LANDLORD TO  
8 RENEW A LEASE ON SUBSTANTIALLY SIMILAR TERMS.

9 (3) "UNIT" MEANS AN APARTMENT, A TOWNHOUSE, A HOUSE, A  
10 MOBILE HOME, OR A MOBILE HOME LOT.

11 (B) A LANDLORD RENTING FOUR OR MORE RESIDENTIAL UNITS MAY  
12 NOT EVICT A TENANT IN THE ABSENCE OF JUST CAUSE.

13 (C) FOR PURPOSES OF THIS SECTION, JUST CAUSE EXISTS IF:

14 (1) A TENANT FAILS TO PAY RENT WHEN DUE AND PAYABLE;

15 (2) A TENANT BREACHES THE TERMS OF THE LEASE AND THE  
16 BREACH IS SUBSTANTIAL;

17 (3) A TENANT REFUSES, AFTER WRITTEN REQUEST BY THE  
18 LANDLORD, TO EXECUTE AN EXTENSION OR RENEWAL OF AN EXPIRED LEASE  
19 FOR A TERM OF LIKE DURATION AND ON TERMS SUBSTANTIALLY SIMILAR TO  
20 THE TERMS OF THE PRIOR LEASE;

21 (4) A TENANT HAS CAUSED SUBSTANTIAL DAMAGE TO THE UNIT  
22 OR ANOTHER AREA OF THE PROPERTY AND, AFTER RECEIVING NOTICE TO MAKE  
23 SATISFACTORY CORRECTION OR PAY THE REASONABLE COSTS OF REPAIRING  
24 THE DAMAGE, THE TENANT FAILS TO DO SO;

25 (5) AFTER RECEIVING NOTICE TO CEASE, A TENANT CONTINUES  
26 TO ENGAGE IN DISORDERLY CONDUCT SO AS TO DISTURB THE PEACE AND QUIET  
27 OF OTHER TENANTS;

28 (6) A TENANT HAS ENGAGED IN ILLEGAL ACTIVITY ON THE  
29 PREMISES OR ON A PUBLIC RIGHT-OF-WAY ABUTTING THE PREMISES;

1           **(7) A TENANT, WITHOUT REASONABLE CAUSE, REFUSES TO**  
2 **GRANT THE LANDLORD ACCESS TO THE UNIT FOR THE PURPOSE OF MAKING**  
3 **REPAIRS OR IMPROVEMENTS OR INSPECTING THE UNIT, OR AS OTHERWISE**  
4 **AUTHORIZED UNDER THE LEASE OR APPLICABLE LAW;**

5           **(8) A TENANT, WITHOUT REASONABLE CAUSE, REFUSES TO**  
6 **PROVIDE THE LANDLORD WITH INFORMATION NEEDED BY THE LANDLORD TO**  
7 **SATISFY THE CONDITIONS OF AN AFFORDABLE HOUSING FINANCING**  
8 **AGREEMENT;**

9           **(9) A LANDLORD, IN GOOD FAITH, SEEKS TO RECOVER**  
10 **POSSESSION OF THE UNIT FOR THE USE OF THE LANDLORD'S SPOUSE, CHILD,**  
11 **PARENT, OR GRANDPARENT;**

12           **(10) A LANDLORD, IN GOOD FAITH, SEEKS TO PERMANENTLY**  
13 **REMOVE THE UNIT FROM THE RENTAL MARKET; OR**

14           **(11) A LANDLORD, AFTER HAVING OBTAINED ALL NECESSARY**  
15 **PERMITS, SEEKS TO UNDERTAKE SUBSTANTIAL REPAIRS OR RENOVATIONS**  
16 **THAT CANNOT BE COMPLETED WHILE THE UNIT IS OCCUPIED.**

17           **(D) A NOTICE REQUIRED TO BE GIVEN TO A TENANT UNDER**  
18 **SUBSECTION (C) OF THIS SECTION SHALL BE SENT BY CERTIFIED MAIL, RETURN**  
19 **RECEIPT REQUESTED.**

20           SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall be  
21 construed to apply only prospectively and may not be applied or interpreted to have  
22 any effect on or application to any residential lease agreement entered into before the  
23 effective date of this Act.

24           SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect  
25 October 1, 2013.