

HOUSE BILL 853

N1

4lr0988

By: **Delegates Allen, Stewart, Boaf, Grossman, J. Lewis, J. Long, and Ruth**
Introduced and read first time: February 2, 2024
Assigned to: Environment and Transportation

A BILL ENTITLED

1 AN ACT concerning

2 **Residential Leases – Late Payment Penalties – Calculation**

3 FOR the purpose of altering a prohibition concerning the maximum penalty for the late
4 payment of rent that a landlord may charge in a residential lease to prohibit a
5 penalty in excess of a certain percentage of the amount of the unpaid rent rather
6 than of the amount due; and generally relating to residential leases and penalties
7 for the late payment of rent.

8 BY repealing and reenacting, without amendments,
9 Article – Real Property
10 Section 8–201 and 8–208(g)
11 Annotated Code of Maryland
12 (2023 Replacement Volume)

13 BY repealing and reenacting, with amendments,
14 Article – Real Property
15 Section 8–208(d)(3)
16 Annotated Code of Maryland
17 (2023 Replacement Volume)

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

20 **Article – Real Property**

21 8–201.

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

23 (b) This subtitle does not apply to a tenancy arising after the sale of
24 owner-occupied residential property where the seller and purchaser agree that the seller

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 may remain in possession of the property for a period of not more than 60 days after the
2 settlement.

3 8–208.

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

5 (3) (i) Provides for a penalty for the late payment of rent in excess of
6 5% of the amount of **UNPAID** rent due for the rental period for which the payment was
7 delinquent; or

8 (ii) In the case of leases under which the rent is paid in weekly rental
9 installments, provides for a late penalty of more than \$3 per week or a total of no more than
10 \$12 per month;

11 (g) (1) Any lease provision which is prohibited by terms of this section shall be
12 unenforceable by the landlord.

13 (2) If the landlord includes in any lease a provision prohibited by this
14 section or made unenforceable by § 8–105 of this title or § 8–203 of this subtitle, at any time
15 subsequent to July 1, 1975, and tenders a lease containing such a provision or attempts to
16 enforce or makes known to the tenant an intent to enforce any such provision, the tenant
17 may recover any actual damages incurred as a reason thereof, including reasonable
18 attorney's fees.

19 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
20 October 1, 2024.