

SENATE BILL 130

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1lr1513

(PRE-FILED)

By: **Senator Ellis**

Requested: November 1, 2020

Introduced and read first time: January 13, 2021

Assigned to: Judicial Proceedings

A BILL ENTITLED

1 AN ACT concerning

2 **Landlord and Tenant – Failure to Pay Rent – Fee Limit During Emergencies**

3 FOR the purpose of prohibiting a landlord from assessing certain late fees for the failure of
4 a tenant to pay rent under certain circumstances and following certain notice from
5 the tenant; requiring a tenant to provide certain documents to a landlord for a certain
6 purpose; requiring a tenant to provide certain notice with each missed rent payment
7 in order to avoid an assessment of certain late fees; authorizing a landlord to
8 reasonably request certain documents from a tenant for a certain purpose;
9 authorizing a landlord to use certain information from certain sources for a certain
10 purpose; altering the calculation of certain awards to which a landlord may be
11 entitled in certain civil cases; stating the intent of the General Assembly; providing
12 for the application of this Act; and generally relating to fees or charges for the late
13 payment of rent.

14 BY adding to

15 Article – Real Property
16 Section 8–208.4
17 Annotated Code of Maryland
18 (2015 Replacement Volume and 2020 Supplement)

19 BY repealing and reenacting, without amendments,

20 Article – Real Property
21 Section 8–401(a)
22 Annotated Code of Maryland
23 (2015 Replacement Volume and 2020 Supplement)

24 BY repealing and reenacting, with amendments,

25 Article – Real Property
26 Section 8–401(b)(1)(iii) and (iv) and (c)(2)(ii) and (iii)
27 Annotated Code of Maryland

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



(2015 Replacement Volume and 2020 Supplement)

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

Article – Real Property

8–208.4.

(A) IN THIS SECTION, “IMPACTED TENANT” MEANS A RESIDENTIAL TENANT WHO SUFFERS A JOB LOSS OR A REDUCTION IN HOUSEHOLD INCOME OF AT LEAST 50% AT A TIME WHEN THE STATE IS UNDER A PROCLAMATION ISSUED UNDER TITLE 14 OF THE PUBLIC SAFETY ARTICLE.

(B) THIS SECTION APPLIES FOR THE ENTIRE DURATION OF A DECLARED STATE OF EMERGENCY, CATASTROPHIC HEALTH EMERGENCY, OR OTHER EVENT DECLARED UNDER TITLE 14 OF THE PUBLIC SAFETY ARTICLE THAT IS RENEWED, UNINTERRUPTED, FOR A PERIOD OF AT LEAST 4 MONTHS, AND FOR A PERIOD OF 9 MONTHS AFTER THE END OF THE STATE OF EMERGENCY, CATASTROPHIC HEALTH EMERGENCY, OR OTHER EVENT UNDER TITLE 14 OF THE PUBLIC SAFETY ARTICLE.

(C) (1) IF AN IMPACTED TENANT FAILS TO MAKE A RENT PAYMENT AS REQUIRED BY A LEASE AGREEMENT AND PROVIDES WRITTEN NOTICE TO THE LANDLORD OF THE TENANT’S STATUS AS AN IMPACTED TENANT, A LANDLORD MAY NOT DEMAND OR BE ENTITLED TO A FEE OR CHARGE FOR LATE PAYMENT OF RENT.

(2) IN ORDER TO AVOID THE ASSESSMENT OF LATE FEES FOR A FAILURE TO PAY RENT, A TENANT SHALL PROVIDE NOTICE AS REQUIRED UNDER PARAGRAPH (1) OF THIS SECTION EACH TIME A RENT PAYMENT IS DUE AND THE TENANT IS UNABLE TO MAKE A PAYMENT.

(D) (1) A LANDLORD MAY MAKE A REASONABLE REQUEST FOR DOCUMENTS SUPPORTING A TENANT’S CLAIM THAT THE TENANT IS AN IMPACTED TENANT INCLUDING:

(I) A NOTICE FROM THE TENANT’S FORMER EMPLOYER INDICATING THAT THE TENANT’S EMPLOYMENT HAS ENDED;

(II) A NOTICE FROM THE TENANT’S CURRENT EMPLOYER INDICATING THAT THE TENANT’S SCHEDULED HOURS HAVE BEEN REDUCED;

(III) BANK STATEMENTS, WITH ACCOUNT NUMBERS REDACTED BY THE TENANT; AND

1 (IV) ANY OTHER DOCUMENT THAT DEMONSTRATES THAT THE
2 TENANT IS AN IMPACTED TENANT UNDER THIS SECTION.

3 (2) A LANDLORD MAY USE INFORMATION FROM A TENANT'S
4 APPLICATION OR OTHER AVAILABLE SOURCES TO VERIFY THE TENANT'S STATUS AS
5 AN IMPACTED TENANT.

6 8-401.

7 (a) Whenever the tenant or tenants fail to pay the rent when due and payable, it
8 shall be lawful for the landlord to have again and repossess the premises.

9 (b) (1) Whenever any landlord shall desire to repossess any premises to which
10 the landlord is entitled under the provisions of subsection (a) of this section, the landlord
11 or the landlord's duly qualified agent or attorney shall file the landlord's written complaint
12 under oath or affirmation, in the District Court of the county wherein the property is
13 situated:

14 (iii) Stating the amount of rent and any late fees due and unpaid, less
15 the amount of any utility bills, fees, or security deposits paid by a tenant under § 7-309 of
16 the Public Utilities Article **AND THE AMOUNT OF ANY LATE FEES THAT MAY NOT BE**
17 **CHARGED TO THE TENANT UNDER § 8-208.4 OF THIS TITLE;**

18 (iv) Requesting to repossess the premises and, if requested by the
19 landlord, a judgment for the amount of rent due, costs, and any late fees, less the amount
20 of any utility bills, fees, or security deposits paid by a tenant under § 7-309 of the Public
21 Utilities Article **AND THE AMOUNT OF ANY LATE FEES THAT MAY NOT BE CHARGED TO**
22 **THE TENANT UNDER § 8-208.4 OF THIS TITLE;**

23 (c) (2) (ii) If, when the trial occurs, it appears to the satisfaction of the
24 court, that the rent, or any part of the rent and late fees are actually due and unpaid, the
25 court shall determine the amount of rent and late fees due as of the date the complaint was
26 filed less the amount of any utility bills, fees, or security deposits paid by a tenant under §
27 7-309 of the Public Utilities Article **AND THE AMOUNT OF ANY LATE FEES THAT MAY**
28 **NOT BE CHARGED TO THE TENANT UNDER § 8-208.4 OF THIS TITLE**, if the trial occurs
29 within the time specified by subsection (b)(3) of this section.

30 (iii) 1. If the trial does not occur within the time specified in
31 subsection (b)(3)(i) of this section and the tenant has not become current since the filing of
32 the complaint, the court, if the complaint so requests, shall enter a judgment in favor of the
33 landlord for possession of the premises and determine the rent and late fees due as of the
34 trial date.

35 2. The determination of rent and late fees shall include the
36 following:

SENATE BILL 130

- 1 A. Rent claimed in the complaint;
- 2 B. Rent accruing after the date of the filing of the complaint;
- 3 C. Late fees accruing in or prior to the month in which the
4 complaint was filed **LESS THE AMOUNT OF ANY LATE FEES THAT MAY NOT BE**
5 **CHARGED TO THE TENANT UNDER § 8-208.4 OF THIS TITLE**; and
- 6 D. Credit for payments of rent and late fees and other fees,
7 utility bills, or security deposits paid by a tenant under § 7-309 of the Public Utilities
8 Article after the complaint was filed.

9 SECTION 2. AND BE IT FURTHER ENACTED, That it is the intent of the General
10 Assembly that the provisions of this Act apply retroactively, to the extent authorized by
11 law, to a claim for failure to pay rent arising after March 5, 2020.

12 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect June
13 1, 2021.