



Bill No: SB 130, Failure to Pay Rent—Fee Limit During Emergencies

Committee: Judicial Proceedings

Date: 1/28/2021

Position: Favorable with Amendments

The Apartment and Office Building Association of Metropolitan Washington (AOBA) represents members that own or manage more than 23 million square feet of commercial office space and 133,000 apartment rental units in Montgomery and Prince George’s Counties.

Senate Bill 130 prohibits housing providers from assessing late fees against certain tenants during proclamations issued under Title 14 of the Public Safety Article that are renewed, uninterrupted for at least 4 months, and for a period of 9 months after the end of the proclamation. “Impacted tenants” are defined within the bill as residential tenants who suffer 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.

AOBA members support the intent of this legislation and wish to support efforts to protect “impacted tenants”, however there are two specific concerns with the bill as introduced. The bill does not require a nexus between an impacted tenant’s reduction of income and the proclamation under Title 14. As drafted, a resident could experience job loss or significant reduction of income due to their actions, or any cause not related to the public emergency; these residents would still be exempt from late fees. The Association believes that without a direct connection between the loss of income and the emergency, the bill is too broad in scope.

Further, SB 130 prohibits late fees for a period of 9 months after the end of the proclamation. As most residential leases last 12 months, extending the late fee exemption for 9 months after the end of the proclamation is an unnecessary provision that extends too far into the residential lease agreement. AOBA would support extending the prohibition for 3 months after the end of the proclamation.

AOBA would be happy to discuss these issues with the bill sponsor.

For the reasons stated above, AOBA requests a favorable with amendment report on SB 130.

For further information contact Erin Bradley, AOBA Vice President of Government Affairs, at 301-904-0814 or ebradley@aoba-metro.org .