

CHAPTER 263

(House Bill 967)

AN ACT concerning

Anne Arundel County – Leases of Residential Property – Liquidated Damages or Penalty Clause

FOR the purpose of removing Anne Arundel County from certain provisions of law concerning a liquidated damages or penalty clause in leases for residential property; and generally relating to liquidated damages or penalty clauses in leases for residential property in Anne Arundel County.

BY repealing and reenacting, with amendments,

Article – Real Property

Section 8-212

Annotated Code of Maryland

(1988 Replacement Volume and 1990 Supplement)

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

Article – Real Property

8-212.

(a) In [Anne Arundel County and] Baltimore City, a liquidated damages clause or penalty clause in a residential lease is not enforceable. If a tenant fails or refuses to take possession of or vacates the dwelling unit before the end of his term, the tenant is liable to the landlord for loss of rent caused by the termination or two months rent, whichever is less, in addition to the cost of repairing damage to the premises which may have been caused by an act or omission of the tenant.

(b) A residential lease of property in [Anne Arundel County or] Baltimore City entered into after July 1, 1975, may not contain a liquidated damages clause or a penalty clause.

(c) In [Anne Arundel County and] Baltimore City, in determining the existence of a liquidated damages clause or a penalty clause, all provisions shall be strictly construed to be a liquidated damages clause or a penalty clause.

(d) The provisions in this section may not be waived in any residential lease of property or space in [Anne Arundel County or] Baltimore City.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 1991.

Approved April 30, 1991.