



**BALTIMORE CITY COUNCIL  
COMMITTEE ON ECONOMIC AND COMMUNITY  
DEVELOPMENT**

*Mission Statement*

*On behalf of the Citizens of Baltimore City*, the Committee on Economic and Community Development (ECD) is responsible for supporting strong thriving communities ECD will review proposed zoning and land use changes, tackle issues related to economic development, oversee housing policy, and promote equitable economic opportunity for all Baltimore residents.

**The Honorable Sharon Green Middleton**

**PUBLIC HEARING**

**February 9, 2021**

**2:10 PM**

**Virtual Webex Meeting**

**City Council Bill #21-0021**

**Late Fees for Past Due Rent**

## CITY COUNCIL COMMITTEES

### **ECONOMIC AND COMMUNITY DEVELOPMENT (ECD)**

Sharon Green Middleton, Chair  
John Bullock  
Mark Conway  
Ryan Dorsey  
Antonio Glover  
Odette Ramos  
Robert Stokes  
*Staff: Jennifer Coates*

### **WAYS AND MEANS (W&M)**

Eric Costello, Chair  
Kristerfer Burnett  
Ryan Dorsey  
Danielle McCray  
Sharon Green Middleton  
Isaac "Yitzy" Schleifer  
Robert Stokes  
*Staff: Marguerite Currin*

### **PUBLIC SAFETY AND GOVERNMENT OPERATIONS (SGO)**

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Zeke Cohen  
Erick Costello  
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*Staff: Marguerite Currin*

### **HEALTH, ENVIRONMENT, AND TECHNOLOGY (HET)**

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*Staff: Matthew Peters*

### **RULES AND LEGISLATIVE OVERSIGHT (OVERSIGHT)**

Isaac "Yitzy" Schleifer, Chair  
Kristerfer Burnett  
Mark Conway  
Eric Costello  
Sharon Green Middleton  
Odette Ramos  
James Torrence  
*Staff: Richard Krummerich*



**Committee: Economic and Community Development**

**Bill 21-0021**

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**Late Fees for Past Due Rent**

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**Purpose:**

For the purpose of requiring a lease to have a provision regarding a 10-day grace period; requiring a lease to have provisions regarding the amount of money landlords may charge for late fees, when landlords may charge tenants receiving public assistance for late fees, late fees as a condition precedent to the tenant's right to redeem, and the types of fees landlords may recover; and prohibiting this section from altering other remedies available to a landlord.

Effective Date: 30th day after enactment

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**Background**

The State of Maryland regulates certain aspects of landlord and tenant residential lease agreements. Landlords who offer 5 or more dwelling units for rent in the State may not do so without a lease. The Baltimore City Code, Article 13 - Housing and Urban Renewal, Subtitle 7 has provisions for residential lease requirements. If approved, Bill 21-0021 would require residential lease agreements to include language that addresses late fees for rent.

Bill 21-0021 would not apply to leases entered into prior to enactment of this bill. Bill 21-0021 would, however, require the following for new leases that become effective after enactment of this ordinance.

Grace Period

- a. landlords must allow 10 days before applying a late fee for overdue rent

- b. late fees shall begin on the 11<sup>th</sup> day of the period for which rent is due

#### Late Fee Amounts

- a. late fees may not be more than 1% of the total monthly rental payments per day for each day the tenant is late
- b. late fees shall not exceed a total of 5% of the total monthly rental payment
- c. for weekly rental installments, the landlord may charge a \$3 penalty, but not more than a total of \$12 per month

#### Tenants Receiving Public Assistance

Landlords may charge certain tenants receiving funds from certain public assistance programs a late fee on the 11<sup>th</sup> day:

- a. after the day a public assistance check is actually mailed, or
- b. after the day an Electronic Funds Transfer (EFT) was made
- c. Tenants must notify the landlord in writing and establish evidence that a public assistance check was mailed or the EFT was made later than the day upon which the rent was due.

#### State Tenant's Right to Redeem the Dwelling Unit

- a. landlords may not demand payment of certain fees (except rent, court filing fees and court awarded costs) and charges as a condition to allowing tenants to exercise the State authorized tenant's right to redeem the leased dwelling unit
- b. landlord may demand the payment of fees and charges beyond rent, if the tenant has had three (3) judgments for possession in favor of the landlord for rent due in the 12 months prior to when the tenant exercised the tenant's right to redeem

#### Landlord's Recovery of Cost

- a. landlord may recover only those costs and filing fees actually incurred
  - b. upon receipt of a tenant's written request, the landlord must provide a written statement of charges actually incurred within 30 days of the costs being assessed and may not cover any other request for filing costs assessed in over 180 days.
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## Other Landlord Remedies

Bill 21-0021 does not alter a landlord's remedies to recover damages from a tenant arising from a breach of a lease or any other relevant provision of law.

## Amendments

President Mosby has submitted amendments (*see attached*).

## Communications

The committee has received one written communication (*see attached*).

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## Additional Information

**Fiscal Note:** Not Available

**Information Source(s):** Bill 21-0021, Baltimore City Code, Article 13 Housing and Urban Renewal, Article 13, Section 7; Annotated Code of Maryland Real Property, Title 8 – Landlord and Tenant, Subtitle 2 – Residential Leases, Section 8-208

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Analysis by: Jennifer L. Coates  
Analysis Date: February 3, 2021

Direct Inquiries to: (410) 396-1260

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**CITY OF BALTIMORE  
COUNCIL BILL 21-0021  
(First Reader)**

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Introduced by: Councilmember Stokes, President Mosby, Councilmembers Middleton, Ramos,  
Bullock, Cohen, Glover, Torrence

Introduced and read first time: January 13, 2021

Assigned to: Economic and Community Development Committee

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REFERRED TO THE FOLLOWING AGENCIES: City Solicitor, Department of Housing and Community  
Development, Housing Authority of Baltimore City, Department of Real Estate

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A BILL ENTITLED

1 AN ORDINANCE concerning

2 **Late Fees for Past Due Rent**

3 FOR the purpose of requiring a lease to have a provision regarding a 10-day grace period;  
4 requiring a lease to have provisions regarding the amount of money landlords may charge for  
5 late fees, when landlords may charge tenants receiving public assistance for late fees, late  
6 fees as a condition precedent to the tenant's right to redeem, and the types of fees landlords  
7 may recover; and prohibiting this section from altering other remedies available to a landlord.

8 BY adding

9 Article 13 - Housing and Urban Renewal  
10 Sections 7-3(a-2)  
11 Baltimore City Code  
12 (Edition 2000)

13 **SECTION 1. BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF BALTIMORE,** That the  
14 Laws of Baltimore City read as follows:

15 **Baltimore City Code**

16 **Article 13. Housing and Urban Renewal**

17 **Subtitle 7. Residential Lease Requirements**

18 **§ 7-3. Information required.**

19 . . . .

20 (A-2) *LATE FEES.*

21 (1) *IN GENERAL.*

22 A RESIDENTIAL LEASE SHALL INCLUDE A PROVISION THAT THE LANDLORD MAY NOT  
23 APPLY LATE FEES TO THE RENT UNTIL THE TENANT IS MORE THAN 10 DAYS PAST DUE  
24 WITH THE RENT.

EXPLANATION: CAPITALS indicate matter added to existing law.  
[Brackets] indicate matter deleted from existing law.

**Council Bill 21-0021**

1 (2) *ADDITIONAL LATE FEE PROVISIONS.*

2 IN ADDITION, A RESIDENTIAL LEASE SHALL INCLUDE A PROVISION THAT:

3 (I) THE LANDLORD MAY CHARGE A LATE FEE OF NOT MORE THAN 1% OF THE  
4 TOTAL MONTHLY RENTAL PAYMENT PER DAY FOR EACH DAY THE TENANT IS  
5 LATE, COMMENCING WITH THE 11<sup>TH</sup> DAY OF THE PERIOD FOR WHICH RENT IS  
6 DUE, NOT TO EXCEED A TOTAL OF 5% OF THE TOTAL MONTHLY RENTAL  
7 PAYMENT;

8 (II) THE LANDLORD MAY CHARGE THE LATE FEE COMMENCING ON THE 11<sup>TH</sup> DAY  
9 AFTER THE DAY A PUBLIC ASSISTANCE CHECK WAS ACTUALLY MAILED OR AN  
10 ELECTRONIC FUNDS TRANSFER WAS MADE IF THE TENANT:

11 (A) RECEIVES PUBLIC ASSISTANCE UNDER THE FOOD SUPPLEMENT  
12 PROGRAM, WOMEN, INFANTS, AND CHILDREN PROGRAM, OR THE  
13 SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM; AND

14 (B) HAS NOT RECEIVED THE PUBLIC ASSISTANCE CHECK OR ELECTRONIC  
15 FUND TRANSFER ON OR BEFORE THE DATE THE RENT IS DUE, IF THE  
16 TENANT:

17 1. INFORMS THE LANDLORD, IN WRITING, THAT THE PUBLIC  
18 ASSISTANCE CHECK WAS MAILED OR THE ELECTRONIC FUNDS  
19 TRANSFER WAS MADE LATER THAN THE DAY ON WHICH THE  
20 RENT WAS DUE; AND

21 2. THE TENANT PROVIDES REASONABLE, SATISFACTORY EVIDENCE  
22 TO ESTABLISH THAT THE PUBLIC ASSISTANCE CHECK WAS  
23 MAILED OR THE ELECTRONIC FUNDS TRANSFER WAS MADE  
24 LATER THAN THE DAY UPON WHICH THE RENT WAS DUE;

25 (III) IN THE CASE OF LEASES REQUIRING WEEKLY RENTAL INSTALLMENTS, THE  
26 LANDLORD MAY CHARGE A \$3 PENALTY FOR THE LATE PAYMENT OF RENT BUT  
27 MAY NOT CHARGE MORE THAN A TOTAL OF PENALTIES EXCEEDING \$12 PER  
28 MONTH;

29 (IV) THE LANDLORD MAY NOT DEMAND THE PAYMENT OF ANY FEES OR OTHER  
30 CHARGES, EXCEPT RENT, COURT FILING FEES, AND COURT-AWARDED COSTS, AS  
31 A CONDITION PRECEDENT TO ALLOWING THE TENANT TO EXERCISE THE  
32 TENANT'S RIGHT TO REDEEM THE LEASED DWELLING UNIT AS PROVIDED FOR BY  
33 THE STATE REAL PROPERTY ARTICLE;

34 (V) IF THE TENANT HAS HAD 3 JUDGMENTS FOR POSSESSION IN FAVOR OF THE  
35 LANDLORD FOR RENT DUE IN THE 12 MONTHS PRIOR TO WHEN THE TENANT  
36 EXERCISED THE TENANT'S RIGHT TO REDEEM THE LEASED DWELLING UNIT, THE  
37 LANDLORD MAY DEMAND THE PAYMENT OF FEES AND CHARGES BEYOND RENT,  
38 COURT FILING FEES, AND COURT-AWARDED COSTS AS A CONDITION PRECEDENT  
39 TO ALLOWING THE TENANT TO EXERCISE THE TENANT'S RIGHT TO REDEEM THE

**Council Bill 21-0021**

1 LEASED DWELLING UNIT AS PROVIDED FOR BY THE STATE REAL PROPERTY  
2 ARTICLE;

3 (VI) A LANDLORD MAY RECOVER ONLY THOSE COSTS AND FILING FEES ACTUALLY  
4 INCURRED;

5 (VII) IF REQUESTED IN WRITING, A LANDLORD SHALL PROVIDE A TENANT WITH A  
6 WRITTEN STATEMENT OF CHARGES ACTUALLY INCURRED, TO INCLUDE THE  
7 DISTRICT COURT CASE NUMBER AND A COPY OF THE COMPLAINT FORM; AND

8 (VIII) A REQUEST BY A TENANT FOR A WRITTEN STATEMENT OF CHARGES  
9 ACTUALLY INCURRED MUST BE MADE WITHIN 30 DAYS OF THE COSTS BEING  
10 ASSESSED AND MAY NOT COVER ANY OTHER REQUEST FOR FILING COSTS  
11 ASSESSED IN OVER 180 DAYS.

12 (3) *OTHER REMEDIES NOT PRECLUDED.*

13 NOTHING IN THIS SECTION MAY BE CONSTRUED TO ALTER A LANDLORD'S REMEDIES TO  
14 RECOVER DAMAGES FROM A TENANT ARISING FROM BREACH OF A LEASE OR ANY  
15 OTHER RELEVANT PROVISION OF LAW.

16 **SECTION 2. AND BE IT FURTHER ORDAINED,** That the catchlines contained in this Ordinance  
17 are not law and may not be considered to have been enacted as a part of this or any prior  
18 Ordinance.

19 **SECTION 3. AND BE IT FURTHER ORDAINED,** That this Ordinance shall only apply  
20 prospectively to new leases and shall have no retroactive effect on leases entered into prior to the  
21 effective date of this Ordinance.

22 **SECTION 4. AND BE IT FURTHER ORDAINED,** That this Ordinance takes effect on the 30<sup>th</sup> day  
23 after the date it is enacted.



COMMITTEE ON ECONOMIC AND COMMUNITY DEVELOPMENT

Bill 21-0021

AGENCY REPORTS

City Solicitor	Favorable/Amend
Department of Housing and Community Development	Does Not Oppose
Housing Authority of Baltimore City	
Department of Real Estate	

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CITY OF BALTIMORE

BRANDON M. SCOTT  
Mayor



DEPARTMENT OF LAW

JAMES L. SHEA  
100 N. HOLLIDAY STREET  
SUITE 101, CITY HALL  
BALTIMORE, MD 21202

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February 5, 2021

The Honorable President and Members  
of the Baltimore City Council  
Attn: Natawna B. Austin, Executive Secretary  
Room 409, City Hall, 100 N. Holliday Street  
Baltimore, Maryland 21202

Re: City Council Bill 21-0021- Late Fees for Past Due Rent

Dear President and City Council Members:

The Law Department has reviewed City Council Bill 21-0021 for form and legal sufficiency. The bill requires a lease to have a provision regarding a 10-day grace period and to have provisions regarding the amount of money landlords may charge for late fees. The bill also establishes when landlords may charge late fees for tenants receiving public assistance as a condition precedent to the tenant's right to redeem, and the types of fees landlords may recover.

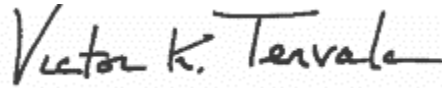
The nonpayment of rent is the subject of Maryland's Landlord-Tenant law found in the Real Property Article, Title 8. The non-payment of rent is specifically addressed in § 8-401 of that Article. In addition, the Public Local Laws of Baltimore City regulate landlord-tenant relations. PLL, Subtitle 9. We note that contrary to Paragraph (V) on pages 2 and 3 of the Council Bill 21-0021 which permits, under certain circumstances, the right of redemption when a tenant has experienced three adverse judgements for possession for rent due, both the State Law and the City's Public Local Law prohibit redemption under those circumstances. *See* Md Code, Real Property, § 8-401(e) and PLL § 9-5(b)(2). Thus, these provisions are preempted and must be struck from the bill.

Council Bill 21-0021 also establishes limits on when a tenant can be charged a late fee and the amount of late fees that are chargeable. Both State law and the City's Public Local Law allow the charging of late fees, but neither establish when a late fee can be charged or the amount that might be chargeable. *See* Md Code, Real Property, § 8-401(b) and PLL § 9-5(b)(1). Thus, there is no conflict arising from State law or the City's Public Local Law for the bill's inclusion of these provisions.

The Law Department notes that this bill is applicable only to new leases signed after its effective date. This provision avoids a Contract Clause problem that would arise if the bill purported to regulate existing leases.

If Paragraph (V) on pages 2 and 3 is struck from the bill, the Law Department is prepared to approve the bill for form and legal sufficiency as drafted. To that end, the Law Department notes that the sponsor may be submitting amendments to this bill. The Law Department would approve the bill as provided in the amendments it viewed on February 5, 2021.

Sincerely,

A handwritten signature in black ink that reads "Victor K. Tervala". The signature is written in a cursive style with a horizontal line at the end.

Victor K. Tervala  
Chief Solicitor

cc: James L. Shea, City Solicitor  
Nina Themelis, Mayor's Office of Government Relations  
Nikki Thompson, Director of Legislative Affairs  
Elena DiPietro, Chief Solicitor, General Counsel Division  
Hilary Ruley, Chief Solicitor  
Ashlea Brown, Assistant Solicitor

## MEMORANDUM

To: The Honorable President and Members of the Baltimore City Council  
c/o Natawna Austin, Executive Secretary

From: Alice Kennedy, Acting Housing Commissioner



Date: February 3, 2021

### Re: City Council Bill 21-0021 Fees, Past Due Rent

The Department of Housing and Community Development (DHCD) has reviewed City Council Bill 21-0021 for the purpose of requiring a lease to have a provision regarding a 10-day grace period; requiring a lease to have provisions regarding the amount of money landlords may charge for late fees when landlords may charge tenants receiving public assistance for late fees, late fees as a condition precedent to the tenant's right to redeem, and the types of fees landlords may recover; and prohibiting this section from altering other remedies available to a landlord.

If enacted, this bill would amend Article 13 – Housing and Urban Renewal, Sections 7-3(a-2) of the Baltimore City Code, to ensure that landlords may not apply late fees to the rent until the tenant is more than 10 days past due and provides for additional tenant protections.

Many Baltimore renters and owners struggle to pay for housing, leaving their families at risk of instability and even homelessness. Baltimore's renters—are housing cost-burdened, meaning they spend more than 30 percent of their income on housing. This remains true even though almost a third of all renters in Baltimore live in either a subsidized affordable housing development or have a Section 8 Housing Choice Voucher.

City Council Bill 21-0021 has no impact on DHCD's operations; however, it may provide additional housing stability for Baltimore's renters. DHCD **does not object** to the passage of City Council Bill 21-0021.

AK/sm

cc: Themelis, Nina, *Mayor's Office of Government Relations*

Brandon M. Scott, Mayor • Alice Kennedy, Acting Housing Commissioner

417 East Fayette Street • Baltimore, MD 21202 • 443-984-5757 • dhcd.baltimorecity.gov

COMMITTEE ON ECONOMIC AND COMMUNITY DEVELOPMENT

Bill 21-0021

# Amendments

**INTRODUCTORY\***

**CITY OF BALTIMORE  
COUNCIL BILL \_\_\_\_\_**

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Introduced by: President Mosby

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A BILL ENTITLED

AN ORDINANCE concerning

**Late Fees for Past Due Rent**

FOR the purpose of requiring a lease to have a provision regarding a 10-day grace period; requiring a lease to have provisions regarding ~~the amount of money landlords may charge for late fees,~~ when landlords may charge tenants receiving public assistance for late fees, ~~late fees as a condition precedent to the tenant's right to redeem, and the types of fees landlords may recover;~~ and ~~prohibiting this section from altering other remedies available to a landlord.~~

BY repealing and reordaining, with amendments

Article 13 - Housing and Urban Renewal  
Sections 7-3(a-2)  
Baltimore City Code  
(Edition 2000)

**SECTION 1. BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF BALTIMORE,** That the Laws of Baltimore City read as follows:

**Baltimore City Code**

**Article 13. Housing and Urban Renewal**

**Subtitle 7. Residential Lease Requirements**

**§ 7-3. Information required.**

....

(A-2) *LATE FEES.*

(1) "GOVERNMENT BENEFIT" MEANS

(I) TEMPORARY CASH ASSISTANCE OR OTHER ASSISTANCE RECEIVED UNDER TITLE 5 OF THE HUMAN SERVICES ARTICLE;

(II) SUPPLEMENTAL SECURITY INCOME;

(III) SOCIAL SECURITY DISABILITY INCOME;

(IV) UNEMPLOYMENT INSURANCE BENEFITS;

(V) VETERANS ADMINISTRATION BENEFITS;

(VI) SOCIAL SECURITY BENEFITS; OR

(VII) TRANSITIONAL EMERGENCY, MEDICAL, AND HOUSING ASSISTANCE.

(2) *IN GENERAL.*

A RESIDENTIAL LEASE ~~SHALL THAT INCLUDES A PROVISION THAT PERMITTING THE LANDLORD MAY NOT TO APPLY A PENALTY FOR THE LATE PAYMENT OF LATE FEES TO THE RENT MUST SET FORTH THE FOLLOWING: UNTIL THE TENANT IS MORE THAN 10 DAYS PAST DUE WITH THE RENT.~~

I. THAT THE LANDLORD MAY NOT APPLY A PENALTY FEE FOR LATE PAYMENT OF THE RENT UNTIL THE TENANT'S PAYMENT OF THE MONTHLY RENT IS MORE THAN 10 DAYS PAST THE DUE DATE SET FORTH IN THE LEASE; OR

II. WHERE THE TENANT NAMED IN THE LEASE RECEIVES A GOVERNMENT BENEFIT, THE LANDLORD MAY NOT APPLY A PENALTY FEE FOR LATE PAYMENT OF RENT UNTIL SUCH TENANT'S PAYMENT OF THE MONTHLY RENT IS MORE THAN 10 DAYS PAST THE DATE ON WHICH THE GOVERNMENT BENEFIT IS ISSUED OR MAILED, IF SUCH TENANT HAS PROVIDED TO THE LANDLORD WRITTEN NOTICE AND DOCUMENTATION TO SHOW THAT THE DAY OF THE MONTH ON WHICH THE GOVERNMENT BENEFIT IS NORMALLY ISSUED OR MAILED IS LATER THAN THE DAY ON WHICH THE RENT COMES DUE.

~~(3) ADDITIONAL LATE FEE PROVISIONS:~~

~~IN ADDITION, A RESIDENTIAL LEASE SHALL INCLUDE A PROVISION THAT:~~

- ~~(I) THE LANDLORD MAY CHARGE A LATE FEE OF NOT MORE THAN 1% OF THE TOTAL MONTHLY RENTAL PAYMENT PER DAY FOR EACH DAY THE TENANT IS LATE, COMMENCING WITH THE 11<sup>TH</sup> DAY OF THE PERIOD FOR WHICH RENT IS DUE, NOT TO EXCEED A TOTAL OF 5% OF THE TOTAL MONTHLY RENTAL PAYMENT;~~
  - ~~(II) THE LANDLORD MAY CHARGE THE LATE FEE COMMENCING ON THE 11<sup>TH</sup> DAY AFTER THE DAY A PUBLIC ASSISTANCE CHECK WAS ACTUALLY MAILED OR AN ELECTRONIC FUNDS TRANSFER WAS MADE IF THE TENANT:
    - ~~(A) RECEIVES PUBLIC ASSISTANCE UNDER THE FOOD SUPPLEMENT PROGRAM, WOMEN, INFANTS, AND CHILDREN PROGRAM, OR THE SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM; AND~~
    - ~~(B) HAS NOT RECEIVED THE PUBLIC ASSISTANCE CHECK OR ELECTRONIC FUND TRANSFER ON OR BEFORE THE DATE THE RENT IS DUE, IF THE TENANT:
      - ~~1. INFORMS THE LANDLORD, IN WRITING, THAT THE PUBLIC ASSISTANCE CHECK WAS MAILED OR THE ELECTRONIC FUNDS TRANSFER WAS MADE LATER THAN THE DAY ON WHICH THE RENT WAS DUE; AND~~
      - ~~2. THE TENANT PROVIDES REASONABLE, SATISFACTORY EVIDENCE TO ESTABLISH THAT THE PUBLIC ASSISTANCE CHECK WAS MAILED OR THE ELECTRONIC FUNDS TRANSFER WAS MADE LATER THAN THE DAY UPON WHICH THE RENT WAS DUE;~~~~~~
- ~~(III) IN THE CASE OF LEASES REQUIRING WEEKLY RENTAL INSTALLMENTS, THE LANDLORD MAY CHARGE A \$3 PENALTY FOR THE LATE PAYMENT OF RENT BUT MAY NOT CHARGE MORE THAN A TOTAL OF PENALTIES EXCEEDING \$12 PER MONTH;~~
- ~~(IV) THE LANDLORD MAY NOT DEMAND THE PAYMENT OF ANY FEES OR OTHER CHARGES, EXCEPT RENT, COURT FILING FEES, AND COURT AWARDED COSTS, AS A CONDITION PRECEDENT TO ALLOWING THE TENANT TO EXERCISE THE TENANT'S RIGHT TO REDEEM THE LEASED DWELLING UNIT AS PROVIDED FOR BY THE STATE REAL PROPERTY ARTICLE;~~
- ~~(V) IF THE TENANT HAS HAD 3 JUDGMENTS FOR POSSESSION IN FAVOR OF THE LANDLORD FOR RENT DUE IN THE 12 MONTHS PRIOR TO WHEN THE TENANT EXERCISED THE TENANT'S RIGHT TO REDEEM THE LEASED DWELLING UNIT, THE LANDLORD MAY DEMAND THE PAYMENT OF FEES AND CHARGES BEYOND RENT, COURT FILING FEES, AND COURT AWARDED COSTS AS A CONDITION PRECEDENT TO ALLOWING THE TENANT TO EXERCISE THE TENANT'S RIGHT TO REDEEM THE LEASED DWELLING UNIT AS PROVIDED FOR BY THE STATE REAL PROPERTY ARTICLE;~~



~~(VI) A LANDLORD MAY RECOVER ONLY THOSE COSTS AND FILING FEES ACTUALLY INCURRED;~~

~~(VII) IF REQUESTED IN WRITING, A LANDLORD SHALL PROVIDE A TENANT WITH A WRITTEN STATEMENT OF CHARGES ACTUALLY INCURRED, TO INCLUDE THE DISTRICT COURT CASE NUMBER AND A COPY OF THE COMPLAINT FORM; AND~~

~~(VIII) A REQUEST BY A TENANT FOR A WRITTEN STATEMENT OF CHARGES ACTUALLY INCURRED MUST BE MADE WITHIN 30 DAYS OF THE COSTS BEING ASSESSED AND MAY NOT COVER ANY OTHER REQUEST FOR FILING COSTS ASSESSED IN OVER 180 DAYS.~~

~~(4) OTHER REMEDIES NOT PRECLUDED.~~

~~NOTHING IN THIS SECTION MAY BE CONSTRUED TO ALTER A LANDLORD'S REMEDIES TO RECOVER DAMAGES FROM A TENANT ARISING FROM BREACH OF A LEASE OR ANY OTHER RELEVANT PROVISION OF LAW.~~

**SECTION 2. AND BE IT FURTHER ORDAINED,** That the catchlines contained in this Ordinance are not law and may not be considered to have been enacted as a part of this or any prior Ordinance.

**SECTION 3. AND BE IT FURTHER ORDAINED,** That this Ordinance shall only apply prospectively to new leases and shall have no retroactive effect on leases entered into prior to the effective date of this Ordinance.

**SECTION 4. AND BE IT FURTHER ORDAINED,** That this Ordinance takes effect on the 30<sup>th</sup> day after the date it is enacted.

COMMITTEE ON ECONOMIC AND COMMUNITY DEVELOPMENT

Bill 21-0021

# Communications

## Coates, Jennifer (City Council)

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**From:** Middleton, Sharon (City Council)  
**Sent:** Wednesday, February 3, 2021 12:04 PM  
**To:** ben@benfrederick.com  
**Cc:** Coates, Jennifer (City Council); Thompson, Nikki A. (City Council)  
**Subject:** Re: City Council Bill 21-0021

Good afternoon:

Your testimony will be added to the bill file for committee review.

Regards,  
Sharon Middleton

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**From:** ben@benfrederick.com <ben@benfrederick.com>  
**Sent:** Wednesday, February 3, 2021 11:51:12 AM  
**To:** Middleton, Sharon (City Council) <Sharon.Middleton@baltimorecity.gov>  
**Subject:** City Council Bill 21-0021

Dear Sharon,

I object to City Council Bill 21-0021.

According to a Federal HUD report in 2018, one-half of rental units are in small properties containing fewer than 5 units. Fewer than 40% of small property owners have positive cash flow, meaning most landlords providing affordable housing in Baltimore City are losing money each month. The report stated that, of the small property owners with affordable rents, only those without a mortgage are viable. Only 25% of mortgaged properties have a positive cash flow.

This is to state that the COVID-19 pandemic affects ALL of the stake holders in the affordable housing market in Baltimore City, including, of course, the residents, but let us not be mistaken that those who have invested their life savings to provide affordable housing in Baltimore City are also negatively affected.

I know of several property owners who have tenants who have not paid rent since May, now over ten months. I ask you to imagine the stress of trying to make mortgage payments when your income is down \$10,000 per year and you have no hope of holding the tenant accountable for rent payments, nor any hope of when the rent payment would resume?

Tenants can apply for rental assistance. Tenants affected by employment get an extra \$1,200 per month (\$14,400 per year) in unemployment benefits. Tenants received \$1,200 stimulus check (per person) last year, received an additional \$600 a few weeks ago and may get another check in the near future. Tenants who are taking advantage of the prohibition on evictions, late fees, and rent collection are collecting all of this extra money and not sharing the gains with the landlord.

Would you consider legislation that would create a program where landlords who have non-paying tenants can apply for, and receive, a waiver on the payment of property taxes and a waiver on the payment of water bills?

Regarding the specifics of City Council Bill 21-0021, please note the following:

- Because of the delays in getting court dates for Failure to Pay Rent cases, any delay in beginning these filings only extends the already lengthy amount of time a tenant is permitted to stay in housing without paying for it.
- It would require massive amounts of reprogramming our computer systems to implement a late charge system that requires daily application of a late fee up to a cap.