

clause or penalty clause in a residential lease; and allowing only certain damages from a tenant when the tenant terminates occupancy before the end of the term.

BY adding to

Article - Real Property
Section 8-211
Annotated Code of Maryland
(1974 Volume and 1974 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That new Section 8-211 be and it is hereby added to Article - Real Property, of the Annotated Code of Maryland (1974 Volume and 1974 Supplement) to read as follows:

Article - Real Property

8-211.

(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 [[ONLY]] FOR [[ACTUAL DAMAGES]] 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 [[IN FAVOR OF THE EXISTENCE OF]] 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, 1975.