

AN ACT

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

To amend the Rental Housing Act of 1985 to limit the amount of a late fee a housing provider may charge a residential tenant for the late payment of rent, to establish a minimum grace period before a late fee may be imposed, to prohibit a housing provider from charging interest on a late fee, deducting any amount of a late fee from a subsequent rent payment, imposing a late fee more than one time on each late payment, evicting a tenant on the basis of the nonpayment of a late fee, or from imposing a late fee on a tenant for the late payment or nonpayment of any portion of the rent for which a rent subsidy provider, rather than the tenant, is responsible for paying, and to establish penalties for violations of these provisions.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this act may be cited as the “Rental Housing Late Fee Fairness Amendment Act of 2016”.

Sec. 2. The Rental Housing Act of 1985, effective July 17, 1985 (D.C. Law 6-10; D.C. Code § 42-3501.01 *et seq.*), is amended as follows:

(a) The table of contents is amended by adding a new title designation to read as follows: “TITLE V-A. PAYMENT OF RENT BEYOND 5 DAYS AFTER DUE DATE

“Sec. 531. Authorized fees for the payment of rent beyond 5 days after the rent payment is due”.

(b) A new Title V-A is added to read as follows:

“TITLE V-A

“PAYMENT OF RENT BEYOND 5 DAYS AFTER DUE DATE

“Sec. 531. Authorized fees for the payment of rent beyond 5 days after the rent payment is due.

“(a) Pursuant to subsection (b) of this section, a housing provider may charge a late fee of no more than 5% of the full amount of rent due by a tenant.

“(b) A housing provider may only charge a late fee:

“(1) If the written lease agreement between the housing provider and the tenant informs the tenant of the maximum amount of the late fee that may be charged pursuant to this section; and

“(2) If the tenant has not paid the full amount of rent within 5 days, or any longer grace period that may be provided in the lease, after the day the rent payment is due.

“(c) A housing provider shall not:

- “(1) Charge interest on a late fee;
- “(2) Deduct any amount of a late fee from a subsequent rent payment;
- “(3) Impose a late fee more than one time on each late payment;
- “(4) Evict a tenant on the basis of the nonpayment of a late fee; or
- “(5) Impose a late fee on a tenant for the late payment or nonpayment of any

portion of the rent for which a rent subsidy provider, rather than the tenant, is responsible for paying.

“(d) After the grace period established pursuant to subsection (b)(2) of this section, a housing provider may issue a tenant an invoice to be paid within 30 days after the date of issuance for any lawfully imposed late fees. If the tenant does not pay the late fee within the 30-day period, the housing provider may deduct from a tenant’s security deposit, at the end of the tenancy, any unpaid, lawfully imposed late fees, along with any other amounts lawfully due the housing provider.”.

(c) Section 501(a) (D.C. Official Code § 42-3505.01(a)) is amended by striking the phrase “the rental unit” and inserting the phrase “the rental unit; provided, that the nonpayment of a late fee shall not be the basis for an eviction” in its place.

(d) Section 901 (D.C. Official Code § 42-3509.01) is amended by adding a new subsection (a-1) to read as follows:

“(a-1) Any housing provider who knowingly or willfully violates section 531, or section 501(a), regarding a prohibited eviction for the nonpayment of a late fee, shall be liable to the tenant for the amount by which the late fee exceeds the allowable late fee, or for treble that amount in the event of bad faith, and shall be subject to a civil fine of at least \$100 and not more than \$ 5,000 for each violation.”.

Sec. 3. Fiscal impact statement.

The Council adopts the fiscal impact statement in the committee report as the fiscal impact statement required by section 4a of the General Legislative Procedures Act of 1975, approved October 16, 2006 (120 Stat. 2038; D.C. Official Code § 1-301.47a).

Sec. 4. Effective date.

This act shall take effect following approval by the Mayor (or in the event of veto by the Mayor, action by the Council to override the veto), a 30-day period of congressional review as provided in section 602(c)(1) of the District of Columbia Home Rule Act, approved December

ENROLLED ORIGINAL

24, 1973 (87 Stat. 813; D.C. Official Code § 1-206.02(c)(1)), and publication in the District of Columbia Register.

Chairman
Council of the District of Columbia

Mayor
District of Columbia