

Department of Legislative Services
 Maryland General Assembly
 2022 Session

FISCAL AND POLICY NOTE
 Enrolled - Revised

House Bill 824
 Judiciary

(Delegates Williams and Terrasa)

Judicial Proceedings

Landlord and Tenant - Eviction Data - Collection and Distribution

This bill requires the Judiciary to collect, compile, and share eviction data each month in a manner required by the Department of Housing and Community Development (DHCD). DHCD must organize and format the data and publish it on its website in a specified manner. The data must be made available, as specified, on request by (1) a State agency; (2) an agency of a county or municipal corporation; or (3) an academic institution located in the State. By August 31, 2023, and each year thereafter, DHCD must submit a report to the Governor and the General Assembly on the eviction data. **The bill takes effect January 1, 2023.**

Fiscal Summary

State Effect: General fund expenditures increase by \$214,300 in FY 2023; future years reflect annualization, the elimination of one-time costs, and the termination of contractual staff, as discussed below. Revenues are not affected.

(in dollars)	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	214,300	180,600	91,700	94,100	96,600
Net Effect	(\$214,300)	(\$180,600)	(\$91,700)	(\$94,100)	(\$96,600)

Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate increase; (-) = indeterminate decrease

Local Effect: The bill is not anticipated to materially affect local operations or revenues.

Small Business Effect: None.

Analysis

Bill Summary: “Eviction data” means, in regard to specified landlord/tenant actions, the (1) county and zip code of the subject premises; (2) date of execution of the warrant or writ; and (3) type of action from which the warrant or writ was issued.

Current Law: In general, a landlord seeking to evict a tenant must file the appropriate action (*e.g.*, failure to pay rent, breach of lease, *etc.*) in the District Court. If awarded a judgment by the court, the landlord files a warrant of restitution, which, once reviewed and signed by the court, authorizes an eviction. The warrants of restitution are forwarded to the local sheriff’s office who is then authorized to carry out the evictions. Statute sets forth numerous specific requirements for such actions, including those related to written notice prior to filing certain actions. This includes specific requirements for written notice prior to initiating a failure to pay rent action.

In failure to pay rent actions, if judgment is in favor of the landlord and the tenant does not return the premises to the landlord or otherwise satisfy the judgment by paying the applicable rent and late fees within 4 days, as specified, the court must, at any time after 4 days have elapsed, issue a warrant of restitution. The court may, upon presentation of a certificate signed by a physician certifying that surrendering the property within the 4-day period would endanger the health or life of the tenant or other occupant, extend the time for surrender of the premises as justice may require up to 15 days. Statutory provisions also authorize stays of execution in other specified circumstances, such as in the event of extreme weather conditions.

If the landlord does not order a warrant of restitution within 60 days from either the date of judgment or the expiration date of any stay of execution (whichever is later), then (1) the judgment for possession must be stricken and (2) the judgment must generally count toward the threshold for the number of judgments at which a tenant no longer has the right to redemption of the leased premises, as specified.

A tenant has the right to redemption of the leased premises by tendering in cash, certified check, or money order to the landlord or the landlord’s agent all past due amounts, as determined by the court, plus all court awarded costs and fees, at any time before actual execution of the eviction order. This right of redemption does not apply to any tenant against whom three judgments of possession have been entered for rent due and unpaid in the 12 months prior to the initiation of the action, as specified.

State Fiscal Effect: General fund expenditures increase for the Judiciary and DHCD by \$214,267 in fiscal 2023, by \$180,563 in fiscal 2024, and by a minimum of \$91,000 annually thereafter, as discussed below.

Department of Housing and Community Development

DHCD advises that current staff are unable to complete the requirements of the bill, and it therefore requires additional staff and resources to store, publish, and maintain eviction data. Additionally, DHCD anticipates contractual costs associated with the development of the database and training of existing employees.

Accordingly, general fund expenditures for DHCD increase by \$112,156 in fiscal 2023, which accounts for the bill's January 1, 2023 effective date. This estimate reflects the cost of hiring one employee to administer the new eviction data portal and assist with associated data publishing/reporting requirements. It includes a salary, fringe benefits, one-time start-up costs (including contractual costs for database development and training), and ongoing operating expenses.

Position	1.0
Salary and Fringe Benefits	\$45,078
Contractual Costs	60,000
Other Operating Expenses	<u>7,078</u>
Total DHCD FY 2023 Expenditures	\$112,156

Future year expenditures reflect a full salary with annual increases and employee turnover as well as annual increases in ongoing operating expenses (and the elimination of one-time contractual costs).

Judiciary

The Judiciary advises that programming changes are required in order to collect, compile, and share the required eviction data, and estimates associated costs of approximately \$39,759 in fiscal 2023. While these programming changes generally eliminate any material impact on the District Court for most jurisdictions, clerks in counties that have not yet incorporated the Maryland Electronic Courts (MDEC) case management system (Baltimore City and Prince George's County) incur an additional workload until the process can be automated via MDEC. Accordingly, general fund expenditures also increase for the Judiciary to hire two contractual court clerks (which assumes a start date of January 1, 2023) and for one-time start-up costs and ongoing operating expenses associated with the two clerks.

Contractual Positions	2.0
Salaries and Fringe Benefits	\$48,196
One-time Programming Costs	39,759
Other Operating Expenses	<u>14,156</u>
Total Judiciary FY 2023 Expenditures	\$102,111

Future year expenditures reflect full salaries with annual increases and employee turnover as well as annual increases in ongoing operating expenses. The estimate also assumes that MDEC is fully implemented by the beginning of fiscal 2025, negating the need for contractual staff after June 30, 2024.

This estimate does not include any health insurance costs that could be incurred for specified contractual employees under the State's implementation of the federal Patient Protection and Affordable Care Act.

Additional Information

Prior Introductions: None.

Designated Cross File: SB 629 (Senator Edwards) - Judicial Proceedings.

Information Source(s): Judiciary (Administrative Office of the Courts); Department of Housing and Community Development; Department of Legislative Services

Fiscal Note History: First Reader - February 15, 2022
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