## **HOUSE BILL 181**

D1, N1 4lr0946 HB 34/23 – ENT & JUD (PRE-FILED) **CF SB 19** By: Delegates Hill, Ruth, and Terrasa Requested: October 12, 2023 Introduced and read first time: January 10, 2024 Assigned to: Environment and Transportation and Judiciary Committee Report: Favorable with amendments House action: Adopted Read second time: March 17, 2024 CHAPTER AN ACT concerning Failure to Pay Rent Proceedings - Prohibition on Rent Increases and Shielding of Court Records FOR the purpose of prohibiting a landlord from increasing a tenant's rent because a <del>judgment was entered against the tenant in a failure to pay rent action;</del> requiring or authorizing, depending on the circumstances, the shielding by the District Court of court records relating to a failure to pay rent proceeding; requiring the Maryland Judiciary to develop and publish on its website a certain form; and generally relating to failure to pay rent proceedings. BY adding to Article – Real Property Section 8-119 and 8-503 Annotated Code of Maryland (2023 Replacement Volume) Preamble WHEREAS, In Maryland in fiscal year 2020, 106,330 failure to pay rent proceedings were dismissed and in fiscal year 2021, 100,725 failure to pay rent proceedings were dismissed; and WHEREAS, The presence of an eviction proceeding, including failure to pay rent, remains on a tenant's record even if the proceeding is dismissed; and

## EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

<u>Underlining</u> indicates amendments to bill.

1

2

3

4

5 6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

Strike out indicates matter stricken from the bill by amendment or deleted from the law by amendment.



- WHEREAS, A tenant may experience long-term adverse effects from an eviction proceeding even when an eviction filing does not result in a judgment against the tenant; now, therefore,
- SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, 5 That the Laws of Maryland read as follows:

## 6 Article - Real Property

- 7 <del>8-119.</del>
- 8 (A) THIS SECTION DOES NOT APPLY TO TENANCIES SUBJECT TO:
- 9 (1) § 9-5(B)(2) OF THE CODE OF PUBLIC LOCAL LAWS OF 10 BALTIMORE CITY: OR
- 11  $\frac{(2)}{\$ \$ 401(G)(3)}$  OF THIS TITLE.
- 12 (B) A LANDLORD MAY NOT INCREASE A TENANT'S RENT SOLELY BECAUSE A
- 13 JUDGMENT WAS ENTERED AGAINST THE TENANT IN A FAILURE TO PAY RENT ACTION
- 14 UNDER § 8-401 OF THIS TITLE.
- 15 **8–503**.
- 16 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS 17 INDICATED.
- 18 (2) "COURT RECORD" HAS THE MEANING STATED IN § 8–502(A) OF 19 THIS SUBTITLE.
- 20 (3) "FAILURE TO PAY RENT PROCEEDING" MEANS AN ACTION 21 INITIATED BY A LANDLORD UNDER § 8–401 OF THIS TITLE.
- 22 (4) "SHIELD" HAS THE MEANING STATED IN § 8–502(A) OF THIS 23 SUBTITLE.
- 24 (B) (1) WITHIN 60 DAYS AFTER THE FINAL RESOLUTION OF A FAILURE TO
- 25 PAY RENT PROCEEDING, THE DISTRICT COURT SHALL SHIELD ALL COURT RECORDS
- 26 RELATING TO THE PROCEEDING IF THE PROCEEDING DID NOT RESULT IN A
- 27 JUDGMENT OF POSSESSION.
- 28 (2) (I) ON MOTION BY A TENANT, THE DISTRICT COURT MAY
- 29 SHIELD ALL COURT RECORDS RELATING TO A FAILURE TO PAY RENT PROCEEDING
- 30 THAT RESULTS IN A JUDGMENT OF POSSESSION IF:

1 2 3 4 5	1. The tenant demonstrates by a preponderance of the evidence that the tenant exercised the right of redemption under § 8–401(g) of this title and at least 12 months have passed since the final resolution of the proceeding that the tenant seeks to shield; or
6 7	2. THE DISTRICT COURT DETERMINES THAT THERE IS GOOD CAUSE TO SHIELD THE COURT RECORDS.
8 9 10	(II) SUBJECT TO SUBPARAGRAPH (III) OF THIS PARAGRAPH, THE DISTRICT COURT SHALL SEAL THE COURT RECORDS WITHIN 30 DAYS AFTER GRANTING THE TENANT'S MOTION TO SHIELD.
11 12 13 14	(III) IF A JUDGMENT FOR POSSESSION IS ENTERED IN A PROCEEDING IN WHICH THE TENANT ASSERTED A RENT ESCROW DEFENSE UNDER § 8–211 OF THIS TITLE, THE DISTRICT COURT MAY SHIELD ONLY THE COURT RECORDS RELATED TO THE JUDGMENT FOR POSSESSION.
15 16	(C) COURT RECORDS SHIELDED UNDER SUBSECTION (B) OF THIS SECTION MAY BE OPENED ONLY:
17	(1) ON WRITTEN REQUEST BY THE TENANT; OR
	(1) ON WRITTEN REQUEST BY THE TENANT, OR
18	(2) ON ORDER OF THE DISTRICT COURT FOR GOOD CAUSE SHOWN.
18 19 20	(2) ON ORDER OF THE DISTRICT COURT FOR GOOD CAUSE SHOWN.  (D) A TENANT MAY OBTAIN A COPY OF AN ORDER ISSUED UNDER THIS SECTION AT ANY TIME FROM A CLERK OF THE DISTRICT COURT, ON PROPER
18 19 20 21 22	<ul> <li>(2) ON ORDER OF THE DISTRICT COURT FOR GOOD CAUSE SHOWN.</li> <li>(D) A TENANT MAY OBTAIN A COPY OF AN ORDER ISSUED UNDER THIS SECTION AT ANY TIME FROM A CLERK OF THE DISTRICT COURT, ON PROPER IDENTIFICATION, WITHOUT A SHOWING OF NEED.</li> <li>(E) AN ORDER TO SHIELD COURT RECORDS UNDER THIS SECTION MAY NOT</li> </ul>

4	HOUSE BILL 181
effect	SECTION 4. AND BE IT FURTHER ENACTED, That Section 1 of this Act shall tale October 1, 2024.
SECTION 5. AND BE IT FURTHER ENACTED, That, except as provided in Set 4 of this Act, this Act shall take effect August 1, 2024.	
Appr	oved.
	Governor.

President of the Senate.

Speaker of the House of Delegates.