MARYLAND MULTI-HOUSING ASSOCIATION, INC.

Bill Title: **House Bill 768, Baltimore City - Repossession for Failure to Pay Rent - Registration and License Information**

Committee: **Environment and Transportation**

Date: **March 10, 2020**

Position: **Favorable With Amendments**

       This testimony is offered on behalf of the Maryland Multi-Housing Association (MMHA). MMHA is a professional trade association established in 1996, whose members consist of owners and managers of more than 210,000 rental housing homes in over 958 apartment communities. Our members house over 538,000 residents of the State of Maryland. MMHA also represents over 250 associate member companies who supply goods and services to the multi-housing industry including towing companies.

       As initially drafted, House Bill 768 requires a landlord, at the time of filing for complaint in an action for repossession for failure to pay rent in Baltimore City, to submit for inspection by the clerk of the District Court records demonstrating that the property is compliant with or exempt from local license requirements and lead-based paint abatement laws. This bill also prohibits a court from issuing a warrant if a tenant demonstrates through official records that the landlord has failed to register and license the property. During trial, the landlord has the burden of proving by a preponderance of the evidence, that the property is in compliance with Article 13, Section 5-4 of the Baltimore City Code (Rental Registration) and Title 6, Subtitle 8, Part III of the Environment Article (Lead Certificate).

       After working with the Sponsor and other stakeholders, MMHA supports this bill with amendments which effectively require a residential housing provider to have a rental registration license at the time of filing a Failure to Pay Rent proceeding. The housing provider has the burden to be certain that the property is in compliance at the time the suit is filed. In order to provide proof of this, the housing provider may bring the license to court in an electronic form.

       In <u>McDaniel v. Baranowski</u>, 419 Md. 560 (2011), the Court held that a rental property owner who does not possess a current license to operate the premises, is not entitled to utilize the summary ejectment procedures outlined in Section 8–401 of the Real Property Article upon a tenant's failure to pay rent, if the dwelling is located in a jurisdiction that requires owners to obtain such licenses. The City of Baltimore has recently instituted a rental registration licensing regime. Based on the <u>McDaniel</u> case, a property owner should have its license and demonstrate same in order to pursue a Failure to Pay Rent action. Unlike the two lead certificate databases under the Maryland Department of the Environment, the rental registration database is publicly accessible and can be verified by the Court.

       For the foregoing reasons, MMHA respectfully requests a **<u>favorable report with amendments on House Bill 768.</u>**

       Aaron J. Greenfield, MMHA Director of Government Affairs, 410.446.1992

AMENDMENT TO HOUSE BILL 768
(FIRST READING BILL FILE)

Amendment No. 1
On page 2, lines 17-30 strike, "AT" on line 17 through and including "ENVIRONMENT" on line 30;

Amendment No. 2
On page 2, line 17 insert "(B) (1) AT THE TIME OF FILING A WRITTEN COMPLAINT, THE LANDLORD MUST BE IN COMPLIANCE WITH THE REQUIREMENTS OF ARTICLE 13, SECTION 5-4 OF THE BALTIM ORE CITY CODE AND TITLE 6, SUBTITLE 8, PART III OF THE ENVIRONMENT ARTICLE OF THE ANNOTATED CODE OF MARYLAND; (2) THE LANDLORD SHALL HAVE THE BURDEN OF PROVING, BY A PREPONDERANCE OF THE EVIDENCE, THAT THE PROPERTY IS IN COMPLIANCE WITH ARTICLE 13, SECTION 5-4 OF THE BALTIMORE CITY CODE, OTHERWISE THE JUDGE SHALL NOT ENTER A JUDGMENT IN FAVOR OF THE LANDLORD. PROOF OF COMPLIANCE WITH ARTICLE 13, SECTION 5-4 OF THE BALTIMORE CITY CODE MAY BE PRESENTED BY THE LANDLORD THROUGH AN ELECTRONIC COPY OF THE LICENSE."

Amendment No. 3
On page 3, line 10-14, strike "DURING" in line 10 through and including "MARYLAND" in line 14.

Amendment No. 4
On page 3, line 28-32, strike "IF" on line 28 through and including "SUBTITLE" in line 32.