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March 26, 2021

Senator William C. Smith, Jr., Chairman
Senate Judicial Proceedings Committee
2 East
Miller Senate Office Building
Annapolis, Maryland 21401

Re: **SUPPORT WITH AMENDMENTS - HB523** – LANDLORD AND TENANT -
REPOSSESSION FOR FAILURE TO PAY RENT – REGISTRATION AND LICENSE
INFORMATION

Dear Chairman Smith and Members of the Committee:

The Green & Healthy Homes Initiative (GHHI) writes to support with amendments HB523. GHHI is the nation's largest healthy homes organization and is dedicated to addressing the social determinants of health and advancing racial and health equity through the creation of healthy, safe, and energy efficient homes. By delivering a standard of excellence, GHHI aims to eradicate the negative health impacts of unhealthy housing and unjust policies for children, seniors, and families to ensure better health, economic, and social outcomes with an emphasis on black and brown and low-income communities. GHHI has been at the frontline of lead poisoning prevention and healthy housing for over three decades.

GHHI developed the holistic energy efficiency, health and housing service delivery model that is implemented in our nationally recognized, Maryland-based direct service program as well in over 25 partner jurisdictions nationwide and whose model was adopted by the U.S. Department of Housing and Urban Development. In addition, GHHI helped to elevate Maryland as a national leader in healthy housing by helping reduce childhood lead poisoning by 99% in the state. GHHI provides multiple direct services in Maryland including legal representation of tenants in District Court rent court for the repair of lead and other home-based environmental health hazards and compliance assistance for rental property owners across the state.

In 2004, HB1245 – The Clean Hands Bill was passed to require that rental property owners who were collecting rent through the Failure to Pay Rent Complaint process in District Court had to demonstrate that they were in compliance with Maryland's rental registration and lead inspection certification requirements. The law was passed to improve compliance rates of affected rental properties following a University of Maryland Law School report that analyzed 1,000 pre-1950, occupied rental properties that were the subject of current Failure to Pay Rent Complaints in Baltimore City District Court and found that **77%** were not in compliance with the state's Maryland Reduction of Lead Risk in Housing Law. That law has been effective in helping improve

compliance rates, but there are still non-compliant owners that are utilizing the District Court to collect rent for properties in Baltimore City and other jurisdictions that are unlicensed and have no lead risk reduction certification.

Compliance Problem That Needs to be Addressed

In order to improve the law's effectiveness at increasing registration and lead inspection certification compliance rates of affected properties with the Maryland Reduction of Lead Risk in Housing Law and to insure that rental property owners are proactive and obtain a lead certificate as well as a license as required prior to a tenant's occupancy, we need to strengthen the District Court's role in helping to make sure that rental property owners who use the state funded and sanctioned Failure to Pay Rent court process are legally renting their properties. During GHHI's years of legal representation of tenants in District Court in Baltimore City and across the state, it is not uncommon to represent tenants who reside in affected properties and are facing District Court eviction proceedings but:

- The affected property lacks a valid lead inspection certificate and/or is not annually registered.
- The Failure to Pay Rent Compliant has been filed without a lead inspection certificate number listed or the number provided is an invalid, expired or a fraudulent certificate number and there is no recourse for tenants to raise the issue at trial as the current law is written.
- The property is not licensed with the local jurisdiction.
- The District Court judge is unsure whether they can and should dismiss Complaints where the inspection certification line on the Complaint is blank.
- The District Court judge states that they cannot hear evidence on the property's lack of registration or inspection certification compliance due to the current language in Real Property Article Section 8-401.

Solution the Bill Provides

HB523 fixes the problems described by:

1. Giving District Court judges the ability to review evidence on the registration and inspection compliance of the rental property and in meeting the requirements of Real Property Article 8-401.
2. Providing clear direction to District Court judges that they have the authority to dismiss Failure to Pay Rent Complaints where landlords cannot show compliance and/or after the case has been postponed.
3. Requiring that owners provide compliance documentation to the Court.

Requested Amendment

GHHI supports HB523 and request the following corrections to the Bill to clarify that the rental property owner must provide the lead risk reduction inspection certificate documentation in addition to the registration documentation to the Court. On page 4, lines 1-3, amend to:

“2. IN COMPLIANCE WITH ALL REGISTRATION AND INSPECTION CERTIFICATION REQUIREMENTS UNDER TITLE 6, SUBTITLE 8, PART III AND PART IV OF THE ENVIRONMENT ARTICLE.”

On page 8, lines 17-18, amend to:

“...13, §5-4 OF THE BALTIMORE CITY CODE AND TITLE 6, SUBTITLE 8, PART III AND IV OF THE ANNOTATED CODE OF MARYLAND. A...”

HB523 helps address this problem by providing a requirement that in District Court Failure to Pay Rent actions under Real Property Article 8-401, rental property owners must demonstrate their compliance with the state lead law requirements and that they are properly licensed as required by the local jurisdiction. We support HB523 to promote lead safer housing for tenants.

Note: While it has been argued in opposition in the past that allowing evidence to be presented on compliance will cause substantial delays in the daily rent court docket, it has not been the actual experience or practice that compliance determinations require a lengthy process for the judge to resolve nor has it delayed the courts in any measurable way.

The Maryland Reduction of Lead Risk in Housing Law has helped produce a 99% decline in childhood lead poisoning, but there remain numerous non-compliant properties that contain serious lead hazards. Further, various research studies have shown that non-compliant landlords who failed to meet Maryland’s registration and lead risk reduction measures and inspection were still able to prevail in District Court Failure to Pay Rent Complaint hearings. Rental property owners who are not responsible in maintaining proper MDE registration and valid lead inspection certificates for affected properties should not be allowed to use our courts.

HB523 would strengthen the rent court process so that it is fair to all parties and does not require that tenants, who are typically pro se, have legal representation in District Court in order to expect that their rental home will be licensed and inspected to meet local licensing and Maryland’s lead law requirements. We request a favorable with amendments report on HB523.

Respectfully Yours,



Ruth Ann Norton
President and CEO