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SB 384 - Landlord and Tenant – Stay of Eviction Proceeding for Rental Assistance Determination

Hearing before the Environment and Transportation Committee, March 29, 2022

Position: SUPPORT (FAV)

Public Justice Center supports SB 384. SB 384 was heavily amended to address the concerns of landlords and received a unanimous favorable vote in JPR. **We urge the Committee to vote favorable on SB 384 as amended by the Senate without weakening amendments.**

SB 384, like cross-file HB 674, provides that the court should hit the pause button on rent-based evictions when a good-faith rental assistance application is pending. The State/locals have \$400 million in rental assistance available, but Maryland still has nearly 700 evictions/month. The Senate adopted substantial amendments in response to the landlord and property owner groups (MMHA and AOBA). These amendments:

- Limit the stay of eviction to up to 35 days;
- Restrict access to only those tenants who applied for rental assistance within 30 days of the filing for eviction;
- Strike the language that would have prohibited landlords from filing suit to collect rent after refusing rental assistance; and
- Sunset the bill in 3 years.

No one should be evicted in the aftermath of a global pandemic when there is money to pay the rent. SB 384 as amended by the Senate is a reasonable compromise that gives rental assistance agencies the opportunity to be effective. The chart below outlines arguments against the bill and responses:

DECEMBER 2021
105,000
 MD HOUSEHOLDS
 BEHIND ON RENT

The Household Pulse Survey (Week 41) estimates that **62% of Maryland renters feel "very" or "somewhat" likely to be evicted** in the next 2 months. These renters are disproportionately people of color, and the majority have children in their households. Here's what else we know about them:

- 97%** have a household income under \$50,000
- 84%** lost employment income in the past 4 weeks
- 88%** borrowed from friends/family to meet spending needs in the past 7 days
- 14%** used their Child Tax Credit payment to meet spending needs in the past 7 days

MYTH

FACT

<p>New information shows that evictions are not happening in Maryland at scale.</p>	<p>In Aug. 2021 – Jan. 2022, landlords evicted 4,059 families in Maryland (677/month), even though the state has over \$400 million in rental assistance available. In January alone there were 600 evictions. That is the most recent data available. No one should be evicted when there is money to pay the rent – especially during a global pandemic.</p>
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Landlords never agreed to the changes in the Senate.	In JPR, Sen. Chris West stated that the bipartisan workgroup that produced the amendments had tenant & landlord reps present and “produced a compromise that everyone agreed on.” (Mar. 17 #2 at 50:40). JPR unanimously voted favorable.
Courts are so delayed because of COVID that landlords can’t deal with further delays.	Rent court cases are delayed in some jurisdictions but not nearly as much as landlords claim. Delays vary but pausing the eviction for rental assistance makes the landlord whole and keeps families housed. A pause at court allows the rental assistance agency time to prioritize the case for payment. Court times vary depending on the type of case and county from no delay (Worcester, Wicomico, Somerset, Dorchester, Anne Arundel, Kent, Queen Anne’s, Caroline, Talbot) to 4-6 months (Balt. City, Prince George’s, Montgomery)
Anne Arundel County only had 4 evictions in January.	This is true, but it does not argue against the bill. Arundel Community Development Services, which provides back rent assistance in a very effective manner, has testified that their model is unsustainable and unless SB 384 is passed, more families with applications pending will be evicted.

The greatest myth is that evictions don’t happen when there is a rental assistance application pending. In a 2021 survey of Md. attorneys who practice in landlord-tenant, 73% reported that in some, most or all of their cases, renters faced eviction while waiting for rental assistance. 63% of attorneys reported that their clients faced eviction when landlords refused to cooperate with rental assistance.



73%

of surveyed pro bono attorneys in Maryland reported that in some, most, or all of their cases, **renters faced eviction while waiting** for Emergency Rental Assistance.

63%

of surveyed pro bono attorneys had cases in which renters **faced eviction after their landlords refused** to accept Emergency Rental Assistance.

Adopting a National Best Practice of Pausing Eviction for Rental Assistance.

[At least 16 other state and local jurisdictions have enacted protections for tenants who have applied for rental assistance by temporarily staying the eviction process.](#) Additionally, some states have issued guidance that landlords who refuse rental assistance violate the state’s source of income law. *No one should be evicted when there is money to pay the rent – especially during a pandemic.*

Examples of tenants evicted despite having rental assistance applications on file

- A mother and her adult daughter, as well as the adult daughter’s two children, were evicted from a large apartment complex in Towson, MD, after falling behind on their rent. The family owed over \$4,000 in back rent and sought help from the Community Assistance Network, but the apartment complex refused to work with CAN to pay the amount owed. The family has

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been devastatingly destabilized, as they were forced to move into substandard housing, and their former landlord is now pursuing collection of the back amount.

- Albert had an open case for rental assistance and had filed a motion with help from Legal Aid to stay the eviction pending rental assistance. The Court denied this motion. The judge said that he had no authority to stay the eviction absent a medical condition. The next day, the sheriff carried out the eviction.
- A renter at a large apartment complex in Owings Mills fell three months behind on her rent because of underemployment during the pandemic. The complex would not work with rental assistance to cover the amount owed. The complex also did not renew her lease, meaning she has to find a new home regardless of whether the back amount is covered, but she will owe the complex thousands of dollars that it could have easily received from rental assistance.
- J.R. was living in a house in Germantown. She is a single mom raising two small children and fell behind on rent due to the pandemic. In August 2021, her landlord filed an action in August and received a judgment for possession against her in September, for just one month's rent. She had applied for county assistance to help her pay the nearly \$10,000 of rent that she owed, but the county did not have enough time to process her application, and she was forced to leave her unit in October. This remarkably quick eviction process left her homeless and searching for other kinds of government assistance just to find a place to live and food for her and her kids.

Public Justice Center is a member of the Renters United Maryland coalition and asks that the Committee **issue a report of FAVORABLE on SB 384**. If you have any questions, please contact: Matt Hill, hillm@publicjustice.org 410-625-9409, ext. 229.