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THE MARYLAND HOUSE OF DELEGATES
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HB 174 -- REPOSSESSION FOR FAILURE TO PAY RENT

SUPPORT

GOOD AFTERNOON CHAIR SMITH, VICE CHAIR WALDSTREICHER, AND ESTEEMED COMMITTEE MEMBERS. I AM ASKING YOUR FAVORABLE REPORT FOR HB 174, A BILL THAT REQUIRES A LANDLORD TO DEMONSTRATE THAT HE OR SHE IS IN COMPLIANCE WITH LOCAL RENTAL LICENSING LAWS IN ORDER TO PROCEED WITH A MOTION TO EVICT.

THIS BILL REPEALS AND REENACTS, WITH AMENDMENTS, SECTIONS OF THE ANNOTATED CODE OF MARYLAND AND PUBLIC LOCAL LAWS OF BALTIMORE CITY AND IS APPLICABLE STATEWIDE. UNLIKE A SIMILAR BILL THIS COMMITTEE RECENTLY APPROVED, HB 174 APPLIES ONLY TO EVICTION CASES INVOLVING FAILURE TO PAY RENT. IT DOES NOT ADDRESS TENANTS HOLDING OVER OR BREACH OF LEASE CASES.

THE BILL DOES FOUR THINGS:

1. IT SAYS A LANDLORD WHO FILES AN EVICTION CASE BASED ON A TENANT'S FAILURE TO PAY RENT CANNOT DO SO WITHOUT DEMONSTRATING THAT THE PROPERTY IS IN COMPLIANCE WITH THE COUNTY OR MUNICIPAL LICENSING REQUIREMENTS OF THE JURISDICTION WHERE THE PROPERTY IS LOCATED.
2. SECOND, THE BILL ESTABLISHES THAT DURING THE TRIAL, THE LANDLORD HAS THE BURDEN OF PROVING, TO THE SATISFACTION OF THE COURT, THAT THE RENTAL PROPERTY IS LICENSED IN COMPLIANCE WITH, OR EXEMPT FROM, ANY APPLICABLE RENTAL PROPERTY REQUIREMENTS.
3. THIRD, IT ALLOWS THE LANDLORD TO PRESENT ELECTRONIC COPIES OF THE LICENSE TO SATISFY THE BURDEN OF PROOF.
4. FINALLY, IT PREVENTS THE COURT FROM ENTERING A JUDGMENT IN FAVOR OF A LANDLORD WHO FAILS TO DEMONSTRATE THAT THE LICENSING REQUIREMENTS HAVE BEEN MET.

WHY THIS BILL IS NEEDED: RESIDENTIAL RENTAL PROPERTY LICENSES PROVIDE A LEVEL OF ASSURANCE THAT A PROPERTY IS BOTH SAFE AND HABITABLE. THE SIX LARGEST COUNTIES IN MARYLAND HAVE RESIDENTIAL RENTAL LICENSE LAWS AS DO ABOUT 20 MUNICIPALITIES INCLUDING SOME SUCH AS CUMBERLAND THAT ARE LOCATED WITHIN COUNTIES THAT DO NOT REQUIRE LICENSES.

AMENDMENTS: AS ORIGINALLY DRAFTED, THE BILL DID NOT ALLOW TEMPORARY OR PROVISIONAL LICENSES TO BE USED AS PROOF OF A LICENSE. HOWEVER, AFTER RESEARCHING THIS ISSUE EXTENSIVELY, MY OFFICE LEARNED THAT ONLY PRINCE GEORGE'S COUNTY ISSUES PROVISIONAL LICENSES. THOSE WERE CREATED AS A RESPONSE TO A STAFFING SHORTAGE IN THE LICENSING OFFICE AND ARE ONLY GOOD FOR 90 DAYS OR WHENEVER THE UNIT IS EXPECTED, WHICHEVER COMES SOONER.

ANOTHER CHANGE AMENDED THE STANDARD FOR LANDLORDS TO SHOW PROOF OF A VALID LICENSE FROM A "PREPONDERANCE OF THE EVIDENCE" TO THE SATISFACTION OF A JUDGE.

THE OVERALL PREMISE OF THE BILL IS SIMPLE BUT POWERFUL: LANDLORDS WHO FAIL TO COMPLY WITH LOCAL RENTAL LICENSING REQUIREMENTS ON THE FRONT END CANNOT EVICT TENANTS WHO THEY HAVE NO LEGAL RIGHT TO BE RENTING TO IN THE FIRST PLACE. THE BILL ALSO PROVIDES FOR A REMEDY TO THOSE LANDLORDS: GO TO THE JURISDICTION WHERE THE PROPERTY IS LOCATED AND OBTAIN A RENTAL LICENSE. THEN AND ONLY THEN CAN THE LANDLORD MOVE FORWARD WITH AN EVICTION CASE.

I URGE A FAVORABLE REPORT.

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