

Office of Government Relations 88 State Circle Annapolis, Maryland 21401

HB 36

January 19, 2023

TO: Members of the Judiciary Committee

FROM: Nina Themelis, Interim Director of Mayor's Office of Government Relations

RE: House Bill 36 – Real Property – Actions to Repossess – Proof of Rental Licensure

POSITION: Support

Chair Clippinger, Vice Chair Moon, and Members of the Committee, please be advised that the Baltimore City Administration (BCA) **supports** House Bill (HB) 36.

HB 36 would stop landlords who do not have an operating license from using streamlined court processes to evict tenants in localities that have a licensing law. It would prevent unlicensed landlords from using eviction court except in cases where the tenant caused the licensing failure. This may drive more landlords to obtain a rental license and protect the health and safety of renters.

All non-owner-occupied properties in Baltimore City that are rental properties must be licensed and registered to operate as a rental. One and two-family dwellings, multi-family dwellings (3 or more units), vacant buildings, and vacant lots are required to be registered each year.

Licensing laws protect public health and safety through periodic inspections and provide the agency with up-to-date contact information. This information is vital to the agency to ensure the owners of non-owner-occupied units can be reached and held accountable for eliminating hazards on the premises and obtaining or renewing licenses.

Some landlords ignore licensing and registration requirements increasing the risk of tenants being subjected to health and safety hazards. Unlicensed landlords may now use tenant holding over actions as a loophole to recover rent and possession of property and lease the property again while failing to eliminate hazards on the premises and obtain licenses.

The passage of HB 36 would have minimal impact on Baltimore City operations. It may create more work in processing licenses, but this increase has already been accounted for as we enforce local rental licensing law. We do not anticipate a significant fiscal impact.

For these reasons, the BCA respectfully request a <u>favorable</u> report on HB 36 which would protect the health and safety of renters in Baltimore City and incentivize landlords to comply with licensing law.