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## SB 100: Real Property – Actions to Repossess – Proof of Rental Licensure HEARING BEFORE THE JUDICIARY COMMITTEE, MARCH 29, 2023 POSITION: SUPPORT (FAV)

The Pro Bono Resource Center of Maryland ("PBRC"), an independent 501(c)(3) non-profit organization, is the statewide coordinator, thought leader and clearinghouse for volunteer civil legal services in Maryland. As the designated pro bono arm of the Maryland State Bar Association, PBRC provides training, mentorship, and pro bono service opportunities to members of the private bar. We respond to acute legal needs identified in areas across the state by piloting and operating innovative pro bono service projects targeting specific legal problems or populations.

In May 2017, with a grant from the Maryland Judiciary's Access to Justice Department, PBRC launched the **Tenant Volunteer Lawyer of the Day (TVLD) Program** in Baltimore City Rent Court to provide day-of-court legal representation to tenants who appear unrepresented for their proceedings. Since then, this continually-expanding Program has allowed PBRC staff and volunteer attorneys to represent thousands of tenants in both Baltimore City and Baltimore County in multiple types of legal actions that could result in eviction. We have witnessed first-hand the difficulties and unsafe living conditions many of these tenants face while working to stay housed.

PBRC urges a favorable report on SB 100 as a public safety measure the will help localities enforce their local licensing laws. As amended SB 100 is identical to HB 36, which recently passed this Committee and then the full House by a vote of 101-34. Within localities that have a rental licensing law, SB 100 will ensure that landlords who opt to use Maryland's streamlined eviction processes (Failure To Pay Rent, Tenant Holding Over, and Breach of Lease) are either properly licensed or fall within one of the outlined exceptions. Localities that have enacted licensing laws have done so in an effort to protect public health and safety through required periodic inspections. Like any other business-owner, if a landlord wants to file suit in Maryland courts, they must be licensed in any jurisdiction that requires licensure.

Under current Maryland law, individual jurisdictions can elect to require landlords to be licensed. Most landlords comply with these laws. However, we have represented over 1,000 clients in Baltimore City and Baltimore County, both of which have licensing laws, whose landlords are unlicensed and thus operating illegally. Often these landlords are unlicensed because they refuse to make necessary repairs or are openly flouting the licensing law. Nonetheless, they attempt to use summary eject procedures to evict tenants when they are behind on rent. Last year alone, we raised non-licensure as a defense in 541 Failure to Pay Rent cases. When unlicensed landlords use eviction court, it encourages all landlords to ignore licensing laws and increases the risk of tenants being subjected to health and safety hazards

While current law holds that illegally operating landlords cannot use the court system to evict through a failure to pay rent action, the Court created a loophole in *Velicky v. CopyCat* by allowing illegally operating landlords to obtain an eviction by bringing a Tenant Holding Over case. 476 Md. 435 (2021). On Jan. 17, 2023, the <u>Baltimore Banner</u> reported that "Tenant Holding Over filings are now about three times higher than they were before the pandemic." **Under current law, landlords in these cases may ignore basic health and safety laws and still use the taxpayer-funded court system to evict tenants. SB 100 offers a commonsense fix to this loophole by requiring all landlords to demonstrate their compliance with the licensing law or prove that they are not licensed due to an exception listed in the law.** 

PBRC is a member of Renters United Maryland, a statewide coalition of renters, organizers, and advocates. **We support** SB 100 with no further amendments because it will ensure that local licensing laws can adequately protect Maryland tenants from unsafe conditions in their home.

For the above reasons,

PBRC urges a FAVORABLE report on SB 100.

Please contact Katie Davis, Director of PBRC's Courtroom Advocacy Project, with any questions. <a href="mailto:kdavis@probonomd.org">kdavis@probonomd.org</a> • 443-703-3049