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January 17, 2023

Chairman Luke Clippinger
House Judiciary Committee
House Office Building, Room 101
Annapolis, Maryland 21401

Re: **HB36 - ACTION TO REPOSSESS - PROOF OF RENTAL LICENSURE - FAVORABLE**

Dear Chairman Clippinger and Members of the Committee:

The Green & Healthy Homes Initiative (GHHI) writes in support of HB36. GHHI has a long-standing history of advocating for families and children on the important issue of lead poisoning prevention. GHHI provides multiple direct prevention services in Maryland including: lead hazards reduction remediation, tenant's rights assistance, legal representation to tenants in rent court for the repair of lead hazards, and compliance assistance for rental property owners.

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 were specific deficiencies in the Failure Pay Rent law related to rent court processes that were primarily corrected by HB174 in the 2022 Maryland General Assembly session. HB36 will address other improvements that can be made in rental property licensing compliance and in particular for Tenant Holding Over and Breach of Lease cases.

Problem That Needs to be Addressed

In order to improve rental property owner licensing compliance rates and to insure that rental property owners are proactive to rent housing that meets local housing standards and obtain a lead inspection certificate 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 sanctioned Tenant Holding Over, Breach of Lease and Failure to Pay Rent court process are legally renting their properties by obtaining the proper licenses. 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 property is not licensed with the local jurisdiction where required;
- The affected property lacks a valid lead inspection certificate as required by the local rental property licensing provisions.

Solution the Bill Provides

HB36 fixes the problems described by:

1. Requiring that owners provide proof of compliance and licensure documentation with the local rental licensing requirements to the District Court when pursuing Tenant Holding Over, Breach of Lease and Failure to Pay Rent actions.

In 2015, a *Justice Diverted* report by The Public Justice Center and Maryland Legal Aid Bureau captured the struggles of many tenants in rent court, which found nearly 60% of Baltimore renters who appeared in these cases could have raised legal defenses based on defects in their home that were a threat to life, health, or safety, but only 8% succeeded. Due to these studies and other identified issues, a 2016 Rent Court Summer Study Group of various stakeholders was convened to take a deeper look into the issues. GHHI participated in this Workgroup which was an expansion of the monthly Baltimore City Work Group focused on similar issues. HB36 addresses some of the concerns raised by represented groups at the prior Summer Study Group, which focused on codifying actual practice and improving the court's ability to verify landlord licensing and lead inspection certification compliance.

We support HB36 to continue to improve rental property owner licensing compliance rates and produce lead safer rental housing for tenants. The Maryland Reduction of Lead Risk in Housing Law has helped produce a 99% decline in childhood lead poisoning, but there remain non-compliant properties that contain serious lead hazards. Rental property owners who are not licensed and are not responsible in maintaining proper lead inspection certificates for their affected properties should not be allowed to use our courts.

HB36 strengthens the landlord licensing and rent court process so that it is fair to all parties and so that tenants can expect that their rental home is licensed and will be inspected to meet local licensing requirements. We ask you for a Favorable Report on HB36.

Respectfully Yours,



Ruth Ann Norton
President and CEO