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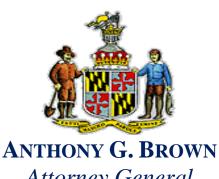
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WILLIAM D. GRUHN

Chief Consumer Protection Division

February 16, 2024

To: The Honorable Marc Korman

Chair, Environment and Transportation Committee

From: Kira Wilpone-Welborn, Assistant Attorney General

Consumer Protection Division

Re: House Bill 181 – Failure to Pay Rent Proceedings - Prohibition on Rent Increases and

Shielding of Court Records (SUPPORT)

The Consumer Protection Division of the Office of the Attorney General supports House Bill 181 sponsored by Delegates Hill, Ruth, and Terrasa. House Bill 181 requires the District Court to shield any court record from a failure to pay rent proceeding within sixty days if judgment for possession is not awarded to the landlord. Moreover, House Bill 181 allows a tenant to petition for the shielding of a failure to pay rent action when a tenant redeems possession of the property, or as justice requires.

Presently, failure to pay rent actions are available for public inspection and reporting regardless of the disposition of the case. As a result, failure to pay rent actions often immediately appear on tenants' credit and other rental history records without the ultimate disposition and the circumstances surrounding such filing, which can have a catastrophic impact on consumers' access to housing and less expensive credit. As the Washington Post has reported, even when a tenant is successful in defending a failure to pay rent filing or has paid off any alleged debt and avoided a physical eviction, a tenant can still be denied subsequent rental housing due to the reporting of a prior eviction filing on credit reports and other background records, creating a constant cycle of housing insecurity.¹

¹ "The stimulus relieved short-term pain, but eviction's impact is a long haul." Washington Post, February 8, 2021.

House Bill 181 seeks to break this cycle of housing insecurity by shielding court records from a failure to pay rent proceeding when a judgment of possession is not awarded to a landlord, thus limiting the dissemination of inaccurate or incomplete information to landlords that would create barriers to tenants seeking housing.

The Consumer Protection Division supports House Bill 181 and requests the Environment and Transportation Committee provide a favorable report.

cc: The Honorable Terri Hill
The Honorable Sheila Ruth
The Honorable Jen Terrasa
Members, Environment and Transportation Committee