

DATE: February 20, 2024

BILL NO.: House Bill 181

TITLE: Failure to Pay Rent Proceedings - Prohibition on Rent Increases and Shielding of Court Records

COMMITTEE: House Environment and Transportation Committee

Letter of Support with Amendments

Description of Bill:

House Bill 181, if amended to reflect the amendments that were accepted in Senate Bill 19, shields all eviction court records that did not result in a judgment of possession, and allows tenants to petition the District Court to, after one year, shield certain records of failure to pay rent proceedings if the tenant exercised the legal right of redemption.

Background and Analysis:

Maryland has an eviction filing rate of 48%, the highest in the nation. One of the consequences of Maryland's eviction filing rate is that tenants are frequently left with a permanent court record simply for being a few days late paying their rent. Of all tenants who receive an eviction filing, 36% pay late rent before trial, 59% pay late rent after trial, and only 5% are evicted. This means that 95% of Maryland tenants facing an eviction filing pay overdue rent, late fees, and court costs - but these filings and judgments remain on a tenant's record, just as if the tenant had failed to pay rent at all. Any background check by a prospective future landlord will indicate that the tenant has an eviction judgment in his or her history, often resulting in the landlord requiring a larger security deposit or rejecting the tenant altogether. These barriers meaningfully shape housing options for families negatively impacted by an eviction filing, and often limit the number and types of neighborhoods that children in those households can grow up in.

House Bill 181 increases housing stability in Maryland by protecting tenants from the deleterious impact of an eviction filing on a record. Annually, 144,000 failure-to-pay rent eviction filings are dismissed, typically because the renter has paid all late rent and other fees prior to the trial date. HB 181 would automatically shield these dismissed cases from public records within 60 days, protecting tenants who had their cases dismissed from facing ongoing challenges to find new housing. Additionally, 240,000 eviction judgments annually are resolved through the tenant right to redemption, wherein the tenant pays all late rent and court costs prior to an eviction occurring. HB 181 would grant the option for the impacted tenants to motion for the court to shield their record if at least 12 months have passed.

DHCD Position:

As HB 181 is anticipated to increase housing and financial stability throughout the state of Maryland, the Maryland Department of Housing and Community Development respectfully requests a **favorable with amendments** report on House Bill 181 to ensure it conforms with the amendments passed with SB 19.