

Department of Legislative Services  
Maryland General Assembly

FISCAL NOTE

House Bill 143 (Delegate Branch. *et al.*)

Economic Matters

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**Residential Leases - Eviction - Drugs**

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This bill requires all residential leases to include a provision enabling a landlord to evict a tenant if: (1) the tenant is arrested for the sale, manufacture, distribution, storage, or concealment of a controlled dangerous substance or controlled paraphernalia; and (2) the arrest was a result of drug-related activities conducted on the leased premises.

The bill also requires a landlord to initiate a summary ejectment proceeding against any tenant arrested for one of these offenses; any landlord who does not initiate such a proceeding within 30 days after the tenant's arrest is guilty of a misdemeanor. On conviction, a landlord would be subject to a maximum fine of \$500 or incarceration for up to 60 days, or both.

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**Fiscal Summary**

**State Effect:** Indeterminate increase in general fund revenues and expenditures beginning in FY 1999.

**Local Effect:** Indeterminate increase in expenditures beginning in FY 1999 due to the bill's penalty provisions. Revenues will not be affected.

**Small Business Effect:** Potential meaningful impact on small business landlords.

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## Fiscal Analysis

**State Revenues:** General fund revenues could increase under the bill's monetary penalty provision for those cases heard in the District Court, depending upon the number of convictions and fines imposed. In fiscal 1997, the District Court handled approximately 66,500 criminal case filings that involved controlled dangerous substance charges. It is unknown, however, how many of these cases involved tenants who were arrested for drug activities while located on leased premises.

**State Expenditures:** Administrative expenditures for the District Court could increase due to an increase in the number of summary ejectment proceedings filed by landlords and an increase in proceedings brought against landlords. Any specific increase in expenditures cannot be reliably estimated at this time.

**Local Expenditures:** Expenditures could increase as a result of the bill's incarceration penalty depending upon the number of convictions and sentences imposed. Counties pay the full cost of incarceration for the first 90 days of a sentence. Per diem operating costs of local detention facilities are expected to range from \$23 to \$83 per inmate in fiscal 1999.

**Small Business Effect:** Landlords who initiate the summary ejectment proceedings required by this bill will realize an increase in administrative costs resulting from court filings and appearances. Landlords who do not initiate these proceedings against tenants within 30 days would be subject to fines and/or imprisonment.

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**Information Sources:** Judiciary (District Court of Maryland), Office of the Attorney General (Consumer Protection Division), Department of Legislative Services

**Fiscal Note History:** First Reader - February 9, 1998

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