

Department of Legislative Services
Maryland General Assembly
2019 Session

FISCAL AND POLICY NOTE
First Reader

Senate Bill 831

(Senator Carter)

Judicial Proceedings

Landlord and Tenant - Repossession for Failure to Pay Rent - Procedure for
Lead-Affected Property

This bill alters the procedures by which a landlord may repossess property for failure to pay rent in the State and in Baltimore City. The bill also makes other technical, stylistic, and conforming changes. **The bill takes effect June 1, 2020; its provisions apply prospectively and may not be applied to any complaint filed by a landlord before that date.**

Fiscal Summary

State Effect: The bill is not anticipated to materially affect State finances or operations.

Local Effect: The bill is not anticipated to materially affect local government finances or operations.

Small Business Effect: Potential meaningful.

Analysis

Bill Summary/Current Law:

Action for Failure to Pay Rent

The bill specifies that, at a trial held related to a complaint to repossess a property for failure to pay rent, the landlord must *produce* specified documentation for the court and the tenant. Unless the landlord is otherwise excused from providing information about the lead status of a property as specified, if the property to be repossessed is an “affected property” as defined in § 6-801 of the Environment Article, the landlord must produce a copy of:

- a current certificate of lead-free or limited lead-free housing for the property, as authorized under specified provisions of the Environment Article; or
- a current risk reduction inspection certificate for the property, as required by specified provisions of the Environment Article.

Under the bill, the landlord must also produce a copy of the rental registration, permit, or license, if a rental registration, permit, or license is required by the jurisdiction in which the rental property is located. The court must dismiss a complaint if the landlord is required but unable to produce the required documentation related to the status of the affected property. The validity of the required documentation *may not* be an issue of fact at trial.

Under current law, an “affected property” is one that is at risk for lead paint contamination, as specified. If the property to be repossessed is an affected property, the complaint is required to *state* that the landlord has registered the affected property as required under the Environment Article and kept the registration current. The complaint must also provide the inspection certificate number for the inspection conducted for the current tenancy, or state that the owner is unable to provide an inspection certificate number because:

- the owner has requested that the tenant allow the owner access to the property to perform the work required under the Environment Article;
- the owner has offered to relocate the tenant in order to allow the owner to perform work if the work will disturb the paint on the interior surfaces of the property and to pay the reasonable expenses the tenant incurs directly related to the relocation; and
- the tenant has refused to allow access to the owner or refused to vacate the property in order for the owner to perform the required work.

The validity of the information provided by the landlord may not be an issue of fact at trial.

Baltimore City

The bill requires a rental property in Baltimore City to be in compliance with specified registration, permit, or license requirements in the Baltimore City Code and the Environment Article before a landlord may file a complaint for repossession of the property for failure to pay rent.

The bill also expands the authority of a judge in Baltimore City to adjourn the proceedings by enabling either party to obtain documents or other proof of a claim or defense. Existing provisions authorize the judge to adjourn the trial in the interest of justice for up to seven days.

Background: During the 2016 interim, a workgroup was convened at the request of members of the Baltimore City legislative delegation to consider and make recommendations as to needed changes in legislation, judicial policy, and procedures, as well as local government programs, particularly in Baltimore City, to fairly and effectively adjudicate the rights and responsibilities of both landlords and tenants.

In the final report of the workgroup, which included both legislative and nonlegislative recommendations, the workgroup made several recommendations, including authorizing the court to adjourn proceedings to obtain documents or other proof.

The Administrative Office of the Courts advises that, in fiscal 2018, there were a total of 653,739 actions for failure to pay rent filed in the District Court, including 138,399 actions for failure to pay rent filed in Baltimore City.

Small Business Effect: Small business landlords may be required to provide additional documentation at a trial related to a complaint to repossess residential property for failure to pay rent. The bill's expansion of the reasons that the court or judge in Baltimore City may adjourn the proceedings to allow a party to procure documents or other proof may also delay the final disposition of a case, resulting in lost revenue.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Baltimore City; Anne Arundel, Baltimore, Montgomery, and Prince George's counties; Judiciary (Administrative Office of the Courts); Maryland Department of the Environment; Office of the Attorney General (Consumer Protection Division); Maryland Department of Health; Department of Legislative Services

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Analysis by: Nathan W. McCurdy

Direct Inquiries to:
(410) 946-5510
(301) 970-5510