

Department of Legislative Services
Maryland General Assembly
2021 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 524
Judiciary

(Delegate Lehman)

Anne Arundel County and Prince George’s County – Repossession for Failure to
Pay Rent – Rental Property License Information

This bill requires a landlord or agent filing a written complaint to repossess property in Anne Arundel or Prince George’s counties due to the failure to pay rent to submit for inspection by the Clerk of the District Court records demonstrating that the property is licensed with the county in compliance with all applicable rental property licensing requirements. A provisional or temporary license is insufficient to satisfy this requirement. At a trial for repossession for failure to pay rent, a landlord must show by a preponderance of the evidence that the property is in compliance with all applicable rental property licensing requirements.

Fiscal Summary

State Effect: The bill is not anticipated to materially affect State operations or finances, as discussed below.

Local Effect: The bill is not anticipated to materially affect Anne Arundel or Prince George’s counties operations or finances.

Small Business Effect: Minimal, as discussed below.

Analysis

Current Law: In Anne Arundel County, a person may not operate a multiple dwelling or rooming house without a license. A separate license is required for each multiple dwelling or rooming house. In Prince George’s County, licenses are generally required to operate

(as an owner, lessee, agent, or in another capacity) single-family rental facilities or multi-family rental facilities, subject to specified exceptions.

In *McDaniel v. Baranowski*, 419 Md. 560 (2011), the Maryland Court of Appeals held that a landlord is not entitled to use specified statutory remedies upon a tenant's failure to pay rent if the landlord has not complied with applicable residential licensing requirements.

State Expenditures: The Judiciary advises that the requirement for the District Court clerks to inspect records demonstrating compliance with licensure add to the workload associated with processing failure to rent cases. The Judiciary notes that a large number of failure to rent cases are filed annually in the impacted counties. In fiscal 2019, 43,627 cases were filed in Anne Arundel County; 156,362 cases were filed in Prince George's County. The effect on workload is particularly exacerbated in Prince George's County, which has not yet implemented the Maryland Electronic Courts System. However, the Judiciary also notes that the overall impact is dependent on compliance from landlords to provide the required information and the evidence presented that cannot be reliably determined beforehand. For purposes of this fiscal and policy note, it is assumed that any operational impact does not materially affect District Court operations or finances.

Small Business Effect: Small business landlords in Anne Arundel and Prince George's counties are required to provide additional documentation to repossess residential property for failure to pay rent actions.

Additional Information

Prior Introductions: None.

Designated Cross File: None.

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

Fiscal Note History: First Reader - February 15, 2021
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