### **SENATE BILL 19**

#### D1, N1

(PRE-FILED)

4lr0947 CF HB 181

#### By: Senator Sydnor

Requested: October 12, 2023 Introduced and read first time: January 10, 2024 Assigned to: Judicial Proceedings

Committee Report: Favorable with amendments Senate action: Adopted Read second time: February 10, 2024

CHAPTER \_\_\_\_\_

#### 1 AN ACT concerning

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

# FOR the purpose of prohibiting a landlord from increasing a tenant's rent because a judgment was entered against the tenant in a failure to pay rent action; requiring or authorizing, depending on the circumstances, the shielding by the District Court of court records relating to a failure to pay rent proceeding; requiring the Maryland Judiciary to develop and publish on its website a certain form; and generally relating to failure to pay rent proceedings.

- 10 BY adding to
- 11 Article Real Property
- 12 Section <del>8–119 and</del> 8–503
- 13 Annotated Code of Maryland
- 14 (2023 Replacement Volume)

#### 15

#### Preamble

WHEREAS, In Maryland in fiscal year 2020, 106,330 failure to pay rent proceedings
were dismissed and in fiscal year 2021, 100,725 failure to pay rent proceedings were
dismissed; and

19 WHEREAS, The presence of an eviction proceeding, including failure to pay rent, 20 remains on a tenant's record even if the proceeding is dismissed; and

#### EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

Strike out indicates matter stricken from the bill by amendment or deleted from the law by amendment.



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1 WHEREAS, A tenant may experience long-term adverse effects from an eviction  $\mathbf{2}$ proceeding even when an eviction filing does not result in a judgment against the tenant; 3 now, therefore, 4 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,  $\mathbf{5}$ That the Laws of Maryland read as follows: 6 **Article – Real Property** 8-119. 7 8 <del>(A)</del> THIS SECTION DOES NOT APPLY TO TENANCIES SUBJECT TO: 9 § 9-5(B)(2) OF THE CODE OF PUBLIC LOCAL LAWS OF <del>(1)</del> **BALTIMORE CITY: OR** 10 11 <del>(2)</del> **§ 8-401(G)(3) OF THIS TITLE.** 12A LANDLORD MAY NOT INCREASE A TENANT'S RENT SOLELY BECAUSE A <del>(B)</del> 13JUDGMENT WAS ENTERED AGAINST THE TENANT IN A FAILURE TO PAY RENT ACTION **UNDER § 8-401 OF THIS TITLE.** 14 8-503. 15 16 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS 17INDICATED. "COURT RECORD" HAS THE MEANING STATED IN § 8-502(A) OF 18 (2) 19 THIS SUBTITLE. 20(3) "FAILURE TO PAY RENT PROCEEDING" MEANS AN ACTION INITIATED BY A LANDLORD UNDER § 8-401 OF THIS TITLE. 21"SHIELD" HAS THE MEANING STATED IN § 8-502(A) OF THIS 22(4) 23SUBTITLE. 24WITHIN 60 DAYS AFTER THE FINAL RESOLUTION OF A FAILURE TO **(B)** (1) PAY RENT PROCEEDING, THE DISTRICT COURT SHALL SHIELD ALL COURT RECORDS 2526RELATING TO THE PROCEEDING IF THE PROCEEDING DID NOT RESULT IN A 27JUDGMENT OF POSSESSION. 28(2) **(I)** ON MOTION BY A TENANT, THE DISTRICT COURT MAY

28 (2) (1) ON MOTION BY A TENANT, THE DISTRICT COURT MAY 29 SHIELD ALL COURT RECORDS RELATING TO A FAILURE TO PAY RENT PROCEEDING 30 THAT RESULTS IN A JUDGMENT OF POSSESSION IF:

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1 **1.** THE TENANT DEMONSTRATES BY A PREPONDERANCE 2 OF THE EVIDENCE THAT THE TENANT EXERCISED THE RIGHT OF REDEMPTION 3 UNDER § 8–401(G) OF THIS TITLE AND AT LEAST 12 MONTHS HAVE PASSED SINCE 4 THE FINAL RESOLUTION OF THE PROCEEDING THAT THE TENANT SEEKS TO SHIELD; 5 OR

6 2. THE DISTRICT COURT DETERMINES THAT THERE IS 7 GOOD CAUSE TO SHIELD THE COURT RECORDS.

8 (II) SUBJECT TO SUBPARAGRAPH (III) OF THIS PARAGRAPH, 9 THE DISTRICT COURT SHALL SEAL THE COURT RECORDS WITHIN **30** DAYS AFTER 10 GRANTING THE TENANT'S MOTION TO SHIELD.

(III) IF A JUDGMENT FOR POSSESSION IS ENTERED IN A
 PROCEEDING IN WHICH THE TENANT ASSERTED A RENT ESCROW DEFENSE UNDER §
 8-211 OF THIS TITLE, THE DISTRICT COURT MAY SHIELD ONLY THE COURT
 RECORDS RELATED TO THE JUDGMENT FOR POSSESSION.

15 (C) COURT RECORDS SHIELDED UNDER SUBSECTION (B) OF THIS SECTION 16 MAY BE OPENED ONLY:

- 17 (1) ON WRITTEN REQUEST BY THE TENANT; OR
- 18 (2) ON ORDER OF THE DISTRICT COURT FOR GOOD CAUSE SHOWN.

19 (D) A TENANT MAY OBTAIN A COPY OF AN ORDER ISSUED UNDER THIS 20 SECTION AT ANY TIME FROM A CLERK OF THE DISTRICT COURT, ON PROPER 21 IDENTIFICATION, WITHOUT A SHOWING OF NEED.

22 (E) AN ORDER TO SHIELD COURT RECORDS UNDER THIS SECTION MAY NOT 23 AFFECT ANY ACTION IN WHICH AN APPEAL IS PENDING.

SECTION 2. AND BE IT FURTHER ENACTED, That, on or before October 1, 2024,
the Maryland Judiciary shall develop and publish on its website a form titled "Petition to
Shield a Failure to Pay Rent Action Record" to facilitate the implementation of § 8–503 of
the Real Property Article, as enacted by Section 1 of this Act.

SECTION 3. AND BE IT FURTHER ENACTED, That § 8–503 of the Real Property Article, as enacted by Section 1 of this Act, shall be construed to apply only prospectively and may not be applied or interpreted to have any effect on or application to any action initiated under § 8–401 of the Real Property Article of the Annotated Code of Maryland before October 1, 2024.

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1 SECTION 4. AND BE IT FURTHER ENACTED, That Section 1 of this Act shall take 2 effect October 1, 2024.

3 SECTION 5. AND BE IT FURTHER ENACTED, That, except as provided in Section
 4 of this Act, this Act shall take effect August 1, 2024.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.