

Department of Legislative Services
 Maryland General Assembly
 2024 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

Senate Bill 354

(Senators Waldstreicher and Jackson)

Judicial Proceedings

Judiciary

Montgomery County and Prince George's County - Rent Court Workforce Solutions Pilot Program

This bill establishes the Rent Court Workforce Solutions Pilot Program in Montgomery and Prince George’s counties. The programs are to provide individuals in failure to pay rent cases with workforce resources and information on workforce development, registered apprenticeships, and other employment opportunities. In fiscal 2026 through 2028, the Governor must include in the annual budget bill an appropriation of \$200,000 to be used for the pilot program, as specified. **The bill takes effect June 1, 2024.**

Fiscal Summary

State Effect: No assumed effect in FY 2024 or 2025. General fund expenditures increase by \$200,000 annually beginning in FY 2026 to fund the pilot program. Expenditures through FY 2028 reflect the mandated appropriation; expenditures beyond FY 2028 assume discretionary funding, as discussed below. Revenues are not affected. **This bill establishes a mandated appropriation for FY 2026 to 2028.**

(in dollars)	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	0	200,000	200,000	200,000	200,000
Net Effect	\$0	(\$200,000)	(\$200,000)	(\$200,000)	(\$200,000)

Note: () = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate increase; (-) = indeterminate decrease

Local Effect: The bill does not directly affect operations or finances in Montgomery or Prince George’s counties, as it is assumed that funds mandated under the bill are disbursed directly to designated organizations via the State budget.

Small Business Effect: Minimal.

Analysis

Bill Summary: The pilot program must be administered by a “designated organization” (defined in the bill as the fiscal and administrative agent of a county’s local workforce development board). The program’s purpose is to provide a “covered individual” (defined in the bill as a defendant tenant of a residential rental property in a failure to pay rent case filed under § 8-401 of the Real Property Article) with workforce resources and information on workforce development, registered apprenticeships, and other employment opportunities.

The District Court may allow at least one representative from a designated organization to operate in a District Court courthouse on days on which failure to pay rent cases are heard. The operation of a designated organization in a District Court courthouse must be governed by a memorandum of understanding signed by a representative of the designated organization and the administrative judge for the applicable District Court. However, the District Court is not required to provide access enabling a designated organization to operate within a courtroom.

By January 1, 2026, and each year thereafter, a designated organization must report to the Governor and the General Assembly on the number of individuals that were connected to workforce development programs or employment opportunities through the pilot program.

Current Law: In general, a landlord seeking to evict a tenant must file the appropriate action (*e.g.*, failure to pay rent, breach of lease, etc.) in the District Court. If awarded a judgment by the court, the landlord files a warrant of restitution, which, once reviewed and signed by the court, authorizes an eviction. The warrants of restitution are forwarded to the local sheriff’s office who is then authorized to carry out the evictions. Statute sets forth numerous specific requirements for such actions, including those related to written notice prior to filing certain actions. This includes specific requirements for written notice prior to initiating a failure to pay rent action.

In failure to pay rent actions, if judgment is in favor of the landlord and the tenant does not return the premises to the landlord or otherwise satisfy the judgment by paying the applicable rent and late fees within 4 days, as specified, the court must, at any time after 4 days have elapsed, issue a warrant of restitution. The court may, upon presentation of a certificate signed by a physician certifying that surrendering the property within the 4-day period would endanger the health or life of the tenant or other occupant, extend the time for surrender of the premises as justice may require up to 15 days. Statutory provisions also authorize stays of execution in other specified circumstances, such as in the event of extreme weather conditions.

State Expenditures: General fund expenditures increase by \$200,000 annually beginning in fiscal 2026 to provide pilot program funding. This estimate (1) assumes that, despite the bill’s effective date of June 1, 2024, the pilot program does not commence (and/or incur expenses) until mandated State funding is provided; (2) reflects the mandated appropriation in fiscal 2026 through 2028; and (3) assumes discretionary funding continues to be provided after fiscal 2028. This analysis also assumes the mandated funding is appropriated within the budget for the Maryland Department of Labor for further disbursement directly to the designated organizations.

Additional Information

Recent Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: HB 372 (Delegates Harris and Stewart) - Judiciary.

Information Source(s): Montgomery and Prince George’s counties; Judiciary (Administrative Office of the Courts); Department of Budget and Management; Maryland Department of Labor; Department of Legislative Services

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