



Bill Title: House Bill 365, Debt Collection - Exemptions From Attachment

Committee: Economic Matters

Date: February 12, 2020

Position: Oppose

This testimony is offered on behalf of the Maryland Multi-Housing Association (MMHA). MMHA is a professional trade association established in 1996, whose members consist of owners and managers of more than 210,000 rental housing homes in over 958 apartment communities. Our members house over 538,000 residents of the State of Maryland. MMHA also represents over 250 associate member companies who supply goods and services to the multi-housing industry.

This bill increases the exemption from attachment to 50 times the State minimum wage in effect at the time the wages are due, multiplied by the number of weeks during which the wages due were earned. Currently the exemption is based on federal minimum hourly wage of \$7.25 which results in a \$11, 310 per year. Under this bill, if the new minimum wage passes, it will result in a \$28,600 annual exemption. Additionally, under this legislation, a property insurance payment that an individual receives for restoration, remediation work or replacement is exempt from execution on a judgment.

House Bill 365 would have a serious impact on MMHA members' ability to collect past due debts. As an example, a person rents an apartment for \$1000 per month and is evicted for non-payment of rent, a process which takes 60-90 days. By this point, the renter will owe in excess of over \$3000 while living for free in the apartment. Under House Bill 365, if the renter makes anything less than \$28,600, the property owner will be unable to collect on the financial commitment

This legislation undermines the business community's ability to collect for goods and services provided to consumers, by significantly increasing the protection for a debtor. Further, House Bill 365 absolves a consumer of any personal responsibility for the financial commitments made.

For foregoing reasons, MMHA respectfully requests an unfavorable report for House Bill 365.

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