



TO: Senate Budget & Taxation Committee

FROM: Maryland Multi-Housing Association

**SUBJECT: House Bill 1285, Howard County - Fee for Rental Housing Services -
Established Ho. Co. 15-21**

DATE: April 1, 2021

POSITION: Unfavorable

This testimony is offered on behalf of Maryland Multi-Housing Association (MMHA). We are a professional trade association established in 1996, whose members consists of owners and managers of more than 210,000 rental housing homes in over 870 apartment communities. Our members house over 556,000 residents of the State of Maryland and we have 250 associate member companies who supply goods and services to the multi-housing industry. Lastly, MMHA members manage 93 apartment communities with over 22,300 units in Howard County.

House Bill 1285 establishes an additional fee of at least \$15 on rental housing licenses for the purpose of funding legal services for tenants and education services for both tenants and landlords. This bill allows the Howard County Council to set the fee amount by ordinance and to specify eligibility requirements for the services funded with fees, the types of services offered to qualifying tenants, and the process for qualifying tenants to obtain legal services.

Like everyone else, residential housing providers have changed their operations to accommodate the consequences of this pandemic. Whether it is voluntarily creating payment plans, waiving late fees, sharing government and community resources with residents, or not raising rents, MMHA members are engaging with residents to ensure that they and the communities we serve are safe and secure.

MMHA supports the goal of ensuring that tenants facing eviction have a right to counsel in rent court. We understand that the legal system can be confusing and stressful for litigants even without the occurrence of a global pandemic. In fact, the General Assembly is currently considering legislation allowing for right to taxpayer counsel in evictions proceedings (see House Bill 18 and Senate Bill 154). Instead of having a specific Howard County bill for legal services in eviction proceedings, MMHA urges the Committee to stay action on House Bill 1285, pending the outcome of House Bill 18 which is currently before Budget & Tax and the Judicial Proceedings Committee.

Many of our members are continuing to provide their excellent services to residents while their companies are financially hurting. According to MMHA's ongoing delinquency surveys, most C class apartment communities are averaging around 33% delinquency monthly, a devastating blow to revenue.



At the same time, House Bill 1285 adds a \$15 fee per unit in Howard County in fiscal year 2022 and 50% of the amount set by the County Council in fiscal year 2023 and each fiscal year thereafter. The average apartment community consists of an average of 243 units, which means this fee would add an average cost of over \$3,600 to expenses in addition to the \$93 rental housing license fee per dwelling unit that Howard County already charges rental property owners. This bill, along with numerous others (see House Bill 31 which is before the Judicial Proceedings Committee) significantly increases costs for residential housing providers.

Adding another financial burden for housing providers after a year of unprecedented revenue losses harms both property owners and the residents in their buildings if they cannot afford to operate and maintain a level of building quality as before.

Due to the financial burden this legislation places on our members and existing statewide legislation, we respectfully request and unfavorable report on House Bill 1285.

For more information, please contact Aaron Greenfield at 410.446.1992