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**OFFICE OF THE ATTORNEY GENERAL**  
**CONSUMER PROTECTION DIVISION**

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February 2, 2021

To: The Honorable Kumar Barve  
Chair, Environment and Transportation Committee

From: Steven M. Sakamoto-Wengel  
Consumer Protection Counsel for Regulation, Legislation and Policy

Re: House Bill 499 – Rental Housing Restitution Fund – Establishment (SUPPORT WITH AMENDMENTS)

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The Consumer Protection Division of the Office of the Attorney General supports House Bill 499 sponsored by Delegate Rosenberg with an amendment that would provide the Attorney General's Office with adequate funding to implement the bill's provisions. The bill would establish a Rental Housing Restitution Fund to be administered by the Attorney General's Office to provide rental assistance and legal assistance to tenants facing eviction. The Fund would be funded through civil penalties and other amounts collected by the Consumer Protection Division from settlements and judgments obtained in actions brought by the Division for violations of the Consumer Protection Act involving residential rental property, other than restitution and damages paid to victims of the violations and costs of the action incurred by the Attorney General's Office.

For the past six months, more than 300 stakeholders across the public and private sector have been meeting as part of the Attorney General's COVID-19 Access to Justice Task Force to confront this growing disaster by developing strategies for reforming longstanding inequities in housing access and several other civil legal areas. The resulting [Report](#), "Confronting the COVID-19 Access to Justice Crisis" is available online [here](#). The Report found that:

Nationally, one in six renters is behind on rent payments, with people of color facing the greatest hardships. According to census data, 31 percent of Black renters, 25 percent of multiracial renters, and 18 percent of Hispanic renters are not caught up on rent. Across Maryland, people cannot afford their rent. An estimated 160,000 to 240,000 renter households in Maryland could be unable to pay rent

and are at risk of eviction by January 2021. That number could reach 320,000 by the end of 2021.

Report, page 18. The Report recommends that:

To prevent mass displacement, new support is needed to identify and connect families to rental assistance programs, expand due process and other legal protections for financially struggling renters, provide ways for parties to resolve problems outside the courts, and establish a right to counsel for those tenants facing court proceedings in which they could lose their housing.

*Id.* House Bill 499 would further the goals of the Attorney General's Task Force.

While the Division believes that the Fund would greatly assist Maryland tenants by helping ensure housing stability and addressing issues before they end up in court, we note that the Attorney General's Office does not currently administer any funds similar to the one proposed and does not have the staff necessary to promulgate standards for distributing money from the fund, review applications for funding, and distribute the money. Accordingly, we would request an amendment allowing the Fund to be used for costs incurred by the Attorney General's Office in administering the Fund.

Accordingly, the Consumer Protection Division requests that the Environment and Transportation Committee return a favorable report on House Bill 499 with the suggested amendment.

cc: The Honorable Samuel "Sandy" Rosenberg  
Members, Environment and Transportation Committee