

House Bill 785 – Landlord and Tenant – Commencement of Action to Repossess for Failure to Pay Rent – Required Notice and Grace Period

Position: Oppose

Maryland REALTORS® opposes HB 785 which would lengthen the time period before a landlord can file a nonpayment of rent case.

REALTORS® often manage property for owners who lease their single-family property for many reasons. Sometimes it is because the owner is seeking to create additional income for their family by holding onto property they once lived in. Sometimes, they choose rental real estate as a separate investment vehicle where the rent helps pay the mortgage so that they will eventually have equity in the property at the end of the mortgage term. Sometimes, it is because the owner of the property was under water and instead of selling the property at a loss, they keep it until the market prices recover so they don't lose equity. Other times an owner may have a temporary but longer-term job relocation and they would like to hold onto the property and move back in when their temporary assignment is over.

While many landlords attempt to give tenants as much notice as possible, that is not always possible – particularly for small landlords who may also be facing financial challenges themselves. In some cases, further delay in filing a nonpayment of rent case can directly impact a landlord trying to pay a mortgage or other bills associated with the property.

As drafted, HB 785 could significantly lengthen the time before a landlord can file beyond the 11-15 days specified in the bill. By requiring return-receipt mail – which would be needed to start the clock on the 10-day response period – the mail would have to be signed by someone in the property. If no one signs for the mail, it could easily be another few days or even longer before the mail is delivered and the 10 day notice period starts.

For that reason, the Maryland REALTORS® recommends an unfavorable report.

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