

Preventing Evictions Would Protect Health and Improve Economic Stability for Families

Position Statement Supporting Senate Bill 454

Given before the Judicial Proceedings Committee

As a result of the COVID-19 pandemic, an estimated 109,000 to 204,000 Maryland households were at risk of eviction at the end of 2020.¹ Meanwhile, 41 percent of Maryland renter households, pre-pandemic, were cost-burdened, meaning they paid 35 percent or more of their income for housing costs. In FY 2019, there were 669,778 eviction cases filed in Maryland – that is 5 cases filed per cost-burdened household. The struggle to maintain a home in a crisis has become undeniable. **The Maryland Center on Economic Policy supports Senate Bill 454 because Maryland needs a fairer “Failure to Pay Rent” eviction process, one that focuses on housing stability instead of housing loss.**

Senate Bill 454 brings three greatly needed procedural changes to Maryland’s high-volume “failure to pay rent” eviction dockets:

- It establishes a 10-day notice period before a failure to pay rent eviction can be filed and requires landlords to attempt alternative resolutions such as rental assistance or mediated payment plans as preconditions to bringing their eviction case.
- It creates a two-part court process:
 - It uses a status conference, before any trial date, to engage litigants in an eviction diversion program involving mediation, legal assistance, and rental assistance.
 - If a trial is needed, the bill gives tenants a formal time in the court process to assert their defense and request documents that will be used against them at trial.
- It provides judges discretionary power to stay evictions in emergency circumstances.

Overall, SB 454 emphasizes preventing evictions before they happen. The bill promotes early engagement, alternative resolutions, and effective use of public resources – including both rental assistance and free legal services. It also strengthens the fairness of the failure to pay rent eviction process without unduly delaying landlords’ right to repossess a property through the courts. A 2015 study of one of Maryland’s high-volume “rent courts” found that almost 60% of surveyed renters who appeared at their failure to pay rent trial had a valid defense against their case based on having notified their landlords about severe, continuing housing defects.¹ But about two-thirds of these defendants did not know about the defenses available to them. Moreover, the court process itself did not avail these renters a meaningful opportunity to be heard.

¹ Stout Risius Ross, LLC, Estimation of Households Experiencing Rental Shortfall and Potentially Facing Eviction, <http://bit.ly/stoutevictiondata> (select “Maryland” in drop-down menu).

Now is the time to fix Maryland's eviction system. Senate Bill 454 is part of that fix, creating a paradigm shift in the state's massive eviction dockets. **For these reasons, the Maryland Center on Economic Policy respectfully requests the Judiciary Proceedings Committee to make a favorable report on Senate Bill 454.**

Equity Impact Analysis: Senate Bill 454

Bill Summary

Senate Bill 454 establishes a 10-day notice period before a failure to pay rent eviction can be filed and requires landlords to attempt alternative resolutions (rental assistance, mediated payment plans) as preconditions to bringing their eviction case.

Background

The economic and health impact of evictions will exacerbate the effects of the covid-19 pandemic as households will rely heavily on safety net programs and families will not be able to comply with social distancing orders as many will have to double up with their relatives or turn to shelters for assistance. As Maryland braces for a rising wave of evictions due to COVID-19, it has become increasingly important to keep their tenants in their home. Evictions cause poverty, drive homelessness, job loss, deteriorating health, poor education outcomes, poor credit scores, loss of assets, and increase the risk of children being placed into foster care. At least 23 percent of homelessness is caused by eviction.

Equity Implications

A recent study found that the number of evictions of Black women is 3.9 times (296% more) than the number of evictions of white men.

Impact

Senate bill 454 will not only level out the imbalance of power between landlords and tenants, but will ensure many families can stay in their homes and save the state money over time. **It will likely improve racial, gender, and economic equity in Maryland.**

ⁱ Public Justice Center, *Justice Diverted: How Renters Are Processed in the Baltimore City Rent Court* 36 (2015), <https://abell.org/sites/default/files/files/cd-justicediverted216.pdf>.