



MARYLAND MULTI-HOUSING ASSOCIATION, INC.

Senate Bill 130, Failure to Pay Rent – Fee Limit During Emergencies

Committee: Judicial Proceedings
Date: January 28, 2020
Position: **Favorable with Amendments**

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.

Senate Bill 130 prohibits landlords from assessing late fees against certain tenants during proclamations issued under Title 14 of the Public Safety Article that are renewed, uninterrupted for at least 4 months, and for a period of 9 months after the end of the proclamation. “Impacted tenants” are defined within the bill as residential tenants who suffer a job loss or a reduction in household income of at least 50% at a time when the state is under a proclamation issued under Title 14 of the Public Safety Article.

MMHA appreciates the motivation behind SB 130, but we offer amendments to clarify processes delineated within the bill. Specifically, the bill does **not** require a nexus between an impacted tenant’s job loss or reduction of income and the proclamation issued under Title 14 of the Public Safety Article. Plainly stated, a tenant could lose their job or experience a reduction in income due to reasons other than the event that caused the proclamation and still be exempt from late rent fees. Without a required connection between the loss of income and the event that led to a proclamation, the bill is too broad. To address this concern, MMHA offers the following amendment:

AMENDMENT NO. 1

On page 1, line 8, strike “AT A TIME WHEN THE STATE,” and insert “DUE TO AN EVENT THAT RESULTS IN”

Senate Bill 130 prohibits late fees for a period of 9 months after the end of the proclamation issued under Title 14 of the Public Safety Article. Considering that the majority of residential lease agreements last 12 months, extending the late fee exemption for 9 months after the end of the proclamation will extend too far into the majority of residential lease agreements. To address this concern, MMHA offers the following amendment:

AMENDMENT NO. 2

On page 1, line 13, strike “9 and insert “3”

We appreciate the sponsor’s motivation for bringing SB 130 to the committee, but amending the bill to ensure a causal connection between the job loss and the event and reducing the time after the end of the proclamation from 9 to 3 months will resolve MMHA’s concerns. We look forward to working with the sponsor to address the concerns and amendments delineated within this testimony. For these reasons, MMHA respectfully offers amendments to SB 130 and requests a favorable report from the committee on SB 130 with amendments.

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