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February 26, 2021

To: The Honorable William C. Smith Jr.
Chair, Judicial Proceedings Committee

From: Kira Wilpone-Welborn
Consumer Protection Division

Re: Senate Bill 910 – COVID-19 Eviction and Housing Relief Act of 2021 (SUPPORT)

The Consumer Protection Division of the Office of the Attorney General supports Chairman Smith's Senate Bill 910. The Attorney General's Access to Justice Commission ("Task Force") sought to ensure Marylanders are housed, economically secure, healthy with enough to eat, and have access to the civil justice system. Senate Bill 910 seeks to achieve many of the Task Force's stated recommendations¹ and will combat the economic and housing instability exacerbated by the COVID-19 Pandemic.

Eviction Process Reforms and Data Collection:

The Task Force reported that "[a]cross 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 at 18). As a result, among the Task Force's central recommendations to ensure Marylanders remain housed during the Pandemic and as the world recovers was the institution of several reforms in the eviction process to allow tenants to (i) receive advanced notice of debt, (ii) connect to state and local resources, and (iii) ultimately cure the debt before the filing of an eviction action. To address these needed process reforms, Senate Bill 910 provides that before pursuing a Failure to Pay Rent Action a landlord must first provide the tenant a ten-day notice with the alleged rent due and the period of time the delinquency occurred. The ten-day notice requirements of this bill also require landlords to provide tenants with information on COVID-19 related eviction protections, rental assistance programs, and the potential for a negotiated payment plan. Senate

¹ See "Access to Justice Commission Final Report"

https://www.marylandattorneygeneral.gov/A2JC%20Documents1/AG_Covid_A2J_TF_Report.pdf

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Bill's 910 proposed alterations to section 8-401 directly addresses the recommendations of the Task Force's final report and provides opportunities for tenants to obtain rental assistance or negotiate payment plans to remain securely housed.

In addition to process reforms, the Task Force also recognized the need of robust data reporting to allow for "targeted intervention for eviction prevention and diversion efforts." (Report at 30). Senate Bill 910 seeks to achieve these recommendations by collecting state-wide eviction data on the location, type of eviction action, and the date a warrant of restitution is executed. This data will allow the state to target communities most at risk of eviction and housing instability for additional supports and diversion programs.

Failure to Pay Rental Arrearage Threshold:

Section 8-401 of the Real Property Article currently allows landlords to file summary ejectment actions as soon as the landlord has not received a tenant's full rental payment, and landlords may file cases for any alleged arrearage amount. As a result, landlords use the failure to pay rent proceedings as a collection tool for small debts that are often paid prior to trial. Due to this serial filing process that is overburdening the court system, the Task Force recommended that these actions should not be permitted for debts less than \$600. Senate Bill 910 seeks to prohibit the filing of a failure to pay rent action for amounts less than \$600.

Eviction Relief Fund:

Finally, the Task Force reported that "[t]o prevent mass displacement, new support is needed to identify and connect families to rental assistance programs." (Report at 18). And, as a result, recommended that that State develop a non-lapsing fund for rental assistance and rehousing programs to prevent housing instability due to loss of income and other financial distress. Senate Bill 910 creates a non-lapsing fund to assist Marylanders with rental assistance. This fund will be dedicated to rental assistance and rental forgiveness to ensure that tenants in need of assistance are able to access the funds that will keep them housed.

For these reasons, the Consumer Protection Division recommends a favorable report form the Judiciary Committee on Senate Bill 910.

cc: The Honorable William C. Smith, Jr.
Members, Judicial Proceedings Committee