

SB 530 Support BTB.pdf

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Position: FAV



Testimony in SUPPORT of Senate Bill 530: Landlord and Tenant - Eviction Actions - Filing Surcharge and Prohibited Lease Provisions

Mary Bradford on behalf of Beyond the Boundaries

Position: FAVORABLE

Beyond the Boundaries is an Archdiocese of Baltimore program with members from churches throughout Maryland. We recognize the need for Catholic organizations to advocate for social justice, especially as it relates to stable and permanent housing. The United States Conference of Catholic Bishops has repeatedly stated that to effectively love our neighbor, we must care for the conditions in which they live, and we must acknowledge decent housing as a human right.¹ “Since decent housing is a human right, its provision involves a public responsibility.”² Such public responsibility includes providing Maryland tenants an eviction process that promotes amicable resolution to housing disputes, and ultimately promotes housing stability. SB 530 achieves these goals. Therefore, we urge the committee to vote favorably.

Maryland is in a housing crisis, and there is a tsunami of evictions on the horizon after the eviction protections are lifted.³ As a result of the COVID-19 pandemic, an estimated 109-204,000 Maryland households were at risk of eviction at the end of 2020.⁴ Meanwhile, 41 percent of Maryland renter households, pre-pandemic, were cost-burdened, meaning they paid 35% 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. SB 530 is another tool to reduce the number of evictions in Maryland. We urge the Committee’s favorable report on this bill.

Eviction should be a last resort for landlords, yet given Maryland’s low fee to file an eviction, it is not. In Baltimore City, eighty-four percent of eviction actions are filed with only one month’s rent due.⁵ SB 530 will deter landlords from rushing to the courthouse door, and encourage them to seek alternatives to hasty evictions. They could instead send a reminder for late payment, devise a payment plan, or amicably resolve the reasonable defenses tenants’ hold. SB 530 further ensures tenants are protected from hastily filed evictions by clearly stating that courts may not pass this surcharge on to tenants, nor may landlords pass the surcharge on to tenants through lease agreements.

¹ <https://www.usccb.org/resources/right-decent-home-pastoral-response-crisis-housing>

² <https://www.usccb.org/resources/right-decent-home-pastoral-response-crisis-housing>

³ https://www.marylandattorneygeneral.gov/A2JC%20Documents1/AG_Covid_A2J_TF_Report.pdf (pgs 17-18)
<https://nlihc.org/coronavirus-and-housing-homelessness/eviction-update> (click Maryland)

⁴ Stout Risius Ross, LLC, Estimation of Households Experiencing Rental Shortfall and Potentially Facing Eviction, <http://bit.ly/stoutevictiondata> (select “Maryland” in drop-down menu).

⁵ <http://bmorerentersunited.org/rtc/stoutreport/>

We know that evictions and housing instability have lasting impact on Marylanders. In a 2019 assessment on homelessness in Baltimore City, 22% of people surveyed reported evictions as the primary cause for their current homelessness.⁶ According to a report from the Aspen Institute, “children who switch schools frequently due to instability or homelessness are more likely to struggle academically and display behavioral problems, less likely to graduate from high school, and earn less than their peers as adults.”⁷ Furthermore, in 2019 nearly 10 percent of youth entered foster care due to their families experiencing housing instability.⁸

We also know there is a massive racial disparity in Maryland’s eviction process. “A recent study by Dr. Timothy Thomas PhD shows “that the highest risk of eviction occurs in the most segregated neighborhoods to the West and in gentrifying neighborhoods to the East” (referring to Baltimore City). Furthermore, Black female headed household experience evictions 3.9 times higher than the number of white male headed household evictions, while Black male headed households are evicted at a rate 2.3 times higher. During the Covid-19 crisis, people of color are being impacted the most. “According to census data, 31% of Black renters, 25% of multiracial renters, and 18% of Hispanic renters are not caught up on rent”

Increasing the surcharge to file evictions is another remedy that encourages landlords to meaningfully work with tenants to ensure they remain in their homes. SB 530 will increase housing stability and begin to redress the racial disparities in Maryland’s eviction process. As Pope Francis made clear during his visit to Washington DC in 2015, “There is no social or moral justification, no justification whatsoever, for the lack of housing.” Now is the time to fix Maryland’s massive eviction system. SB 530 is part of that fix. **We urge the Committee’s FAVORABLE report on SB 530.**

⁶https://homeless.baltimorecity.gov/sites/default/files/PIT%20Report%20Draft%202019_Update%208.30.19_Update.pdf

⁷ <http://www.aspenepic.org/wp-content/uploads/2019/05/Housing-Affordability-and-Stability-An-EPIC-Challenge.pdf>

⁸ https://abell.org/sites/default/files/files/Baltimore%20RTC%20Report_FINAL_5_8_2020.pdf

BaltimoreCounty_FAV_SB0530.pdf

Uploaded by: Conner, Charles

Position: FAV



JOHN A. OLSZEWSKI, JR.
County Executive

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Director of Government Affairs

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Deputy Director of Government Affairs

BILL NO.: **SB 530**

TITLE: **Landlord and Tenant - Eviction Actions - Filing Surcharge and Prohibited Lease Provisions**

SPONSOR: **The President**

COMMITTEE: **Judicial Proceedings**

POSITION: **SUPPORT**

DATE: **February 26, 2021**

Baltimore County **SUPPORTS** Senate Bill 530 – Landlord and Tenant - Eviction Actions - Filing Surcharge and Prohibited Lease Provisions. This legislation increases certain surcharges on civil eviction procedures and requires the proceeds be divided equally between the Maryland Legal Services Corporation Fund and rental assistance programs throughout the State.

The unprecedented job loss due to the COVID-19 pandemic has made housing an increasingly critical issue that requires immediate attention. At the start of the pandemic, County Executive Olszewski temporarily halted all evictions within Baltimore County as an emergency measure. This ensured that residents facing difficult circumstances would be protected from becoming homeless in the midst of a pandemic. When Maryland emerges from this public health crisis, housing affordability will continue to be a pressing concern for vulnerable communities, and deadlines for rent may come before employment opportunities.

Rental assistance programs have been invaluable resources during these trying times. These programs continue to give essential resources and advice to struggling families and individuals trying to seek financial stability. Surcharges on civil eviction procedures have insignificant effects on those that bring them, yet the evictions themselves have life-altering consequences for the tenants at risk. SB 530 sets up a funding mechanism using this very process which subsidizes programs to help those in need of rental assistance and legal representation.

Accordingly, Baltimore County requests a **FAVORABLE** report on SB 530. For more information, please contact Chuck Conner, Director of Government Affairs, at cconner@baltimorecountymd.gov.

SB 530 Written Testimony - SENATE.pdf

Uploaded by: Davis, Katie

Position: FAV

**SB 530/HB 729:
HEARING BEFORE THE JUDICIAL PROCEEDINGS COMMITTEE, FEBRUARY 26, 2021
POSITION: SUPPORT**

The Pro Bono Resource Center of Maryland (“PBRC”), an independent 501(c)(3) non-profit organization, is the statewide clearinghouse for volunteer civil legal services in Maryland. As the designated pro bono arm of the Maryland State Bar Association, PBRC provides training, mentorship, and pro bono service opportunities to members of the private bar. We respond to acute legal needs identified in areas across the state by piloting innovative pro bono service projects targeting specific legal problems or populations.

PBRC’s support for SB 530/HB 729 is two-fold: PBRC supports SB 530/HB 729 because the evictions surcharge will relieve stress on courts and encourage landlords to work with renters on repayment rather than rushing to court. PBRC also supports SB 530/HB 729 because the Maryland Legal Services Corporation (“MLSC”) needs the revenue from the additional eviction surcharge in order to sustain its funding of critical civil legal services, including those provided by PBRC, to vulnerable residents of our state.

In May 2017, with a grant from the Maryland Judiciary’s Access to Justice Department, PBRC launched the **Tenant Volunteer Lawyer of the Day Program (TVLD Program)** in Baltimore City Rent Court to provide day-of-court legal representation to tenants who appear unrepresented for their proceedings. PBRC attorneys have seen first-hand the number of tenants who appear in court ready to work with the landlords to pay their rent or with a valid defense to an eviction. In 2020, 76% of TVLD clients either avoided an eviction entirely or were granted a postponement delaying their eviction based upon a valid defense. By raising Maryland’s courts’ \$15 court fee for summary ejection, tenant holding over, and breach of lease cases to a national average of \$120, HB 729 will encourage landlords to work with renters on repayment rather than rushing to court. This will reduce rental debt and negative effects on credit and tenant screening, as well as preventing unnecessary strain on the court system.

Furthermore, the increased surcharge will funnel much-needed funds to MLSC to help fund work like the TVLD Program. MLSC funding comprised 34% of PBRC’s budget in fiscal year 2020. In addition to TVLD, PBRC’s projects include home preservation (covering tax sale and foreclosure prevention), consumer protection, immigration (including unification of unaccompanied children with their families), and senior stability. These projects incorporate extensive volunteer service components through community and/or courthouse clinics—and now remote clinics—that offer essential legal help to thousands of clients in need, allowing us to screen and triage case referrals where further representation is required. We also recruit, train, and engage hundreds of lawyers in the myriad of civil legal areas that impact low-income individuals and refer them to other legal services providers so they can offer high quality legal services to their client populations. For every dollar invested on civil legal services, the state realizes a savings of \$6. **Grant funding from MLSC helps make this possible.**

Increased evictions surcharges will decrease unnecessary eviction actions and create additional funding for MLSC, helping to ensure the continued vitality of free civil legal services to those who need it most. PBRC supports SB 530/HB 729. Thank you for the opportunity to testify.

For the above reasons,

PBRC urges a FAVORABLE report on SB 530/HB 729.

Please contact Katie Davis, Director of PBRC’s Courtroom Advocacy Project, with any questions.

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MLSC_SB 530_Favorable.pdf

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Position: FAV



MLSC

MARYLAND LEGAL SERVICES CORPORATION

IOLTA - INTEREST ON LAWYER TRUST ACCOUNTS

**Testimony Concerning SB 530
“Landlord and Tenant - Eviction Actions -
Filing Surcharge and Prohibited Lease Provisions”
Submitted to the Senate Judicial Proceedings Committee
Hearing Date: February 18, 2021**

Position: Support

Contact: *Susan Erlichman, Executive Director, 410-576-9494 x1005, serlichman@mlsc.org
15 Charles Plaza #102, Baltimore MD 21201*

Maryland Legal Services Corporation requests a favorable report on SB 530, enactment of which increases the filing fee surcharge on summary ejection, tenant holding over and breach of lease cases. Filing fee surcharges are an important revenue source for the funding of civil legal aid in Maryland.

MLSC’s mission is to ensure low-income Marylanders have access to stable, efficient and effective civil legal assistance through the distribution of funds to nonprofit legal services organizations. It currently funds 36 organizations to work toward that mission across the entire state. The Maryland General Assembly created MLSC in 1982 to administer the state’s Interest on Lawyer Trust Accounts (IOLTA) program, and since that time MLSC grantees have assisted nearly 3.7 million Marylanders with a wide variety of civil legal needs.

The Maryland General Assembly enacted surcharges as a funding source for MLSC in 1998, and they currently make up MLSC’s largest funding source. However, MLSC’s two major revenue sources – IOLTA and these surcharges – were significantly reduced by the COVID-19 pandemic due to near zero interest rates and a dramatic decrease in court filings. The Federal Reserve has indicated they will keep interest rates near zero for several more years, meaning that MLSC cannot rely on IOLTA as a significant source of funding for civil legal aid into the foreseeable future. Without additional revenue, MLSC is therefore facing a dire funding situation that would require significant cuts to grants beginning in fiscal year 2022. At the same time, Marylanders will continue to turn to legal services providers for help with their legal problems, many of which have been exacerbated due to the effects of COVID-19.

Established nonprofit legal aid providers can help Marylanders navigate challenges caused or exacerbated by the pandemic. These providers help with a wide range of issues, including eviction and foreclosure; protection from domestic violence and elder abuse; bankruptcy and debt collection; child support and custody; and access to unemployment, health and other benefits. The pandemic has made these issues even more prevalent and complicated. Having an experienced advocate can make a tremendous difference for a low-income Marylander who, if not for civil legal aid, would be forced to navigate the legal system alone.

Increasing Maryland’s eviction-related filing fees to be in line with the national average would be a tremendous investment in civil legal aid. National studies have estimated that legal aid programs can only meet about 20% of the legal needs of low-income people with existing resources, even before taking the effects of the pandemic into account. Additional funding would allow MLSC’s grantees to

expand services, better attract and retain staff, and increase outreach to improve the public’s awareness of civil legal aid and how it can help address everyday issues impacting basic human needs.

Expanding civil legal aid programming will also be a boon to Maryland’s economy. Multiple studies have shown that every dollar invested in civil legal services results in a \$6 return in the form of economic activity, cost savings and increased productivity – a total return of hundreds of millions of dollars annually. Depending on the number of eviction-related filings, these increases could amount to \$35 million or more each year. This additional revenue would be transformative for Maryland’s civil legal aid delivery system and the low-income Marylanders it serves.

MLSC urges favorable consideration of SB 530.

2021-02-26 SB 530 (Support).pdf

Uploaded by: Frosh, Brian

Position: FAV

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February 26, 2021

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

FROM: Brian E. Frosh
Attorney General

RE: SB 530 – Landlord and Tenant – Eviction Actions – Filing Surcharge and Prohibited
Lease Provisions – **Support**

Chairman Smith, Vice Chair Waldstreicher, and distinguished Members of the Judicial Proceedings Committee, thank you for the opportunity to testify in support of SB 530. Like a number of other bills this Committee has considered, SB 530 is a recommendation of our COVID-19 Access to Justice Task Force.¹

This bill would increase Maryland's eviction filing fee from \$15 to the approximate national average of \$120. The increased revenues would serve as a stable funding stream for the Maryland Legal Services Corporation.

Many Maryland families were facing housing instability long before the pandemic. In 2019, more than 660,000 evictions were filed in Maryland district courts.² And as with the health outcomes of COVID-19, communities of color are facing the greatest hardships. In Baltimore City, for example, the number of eviction removals of Black households in 2018 and 2019 was three times higher than those for white households.³ The pandemic further

¹ See generally MD. ATT'Y GEN. BRIAN E. FROSH'S COVID-19 ACCESS TO JUST. TASK FORCE, CONFRONTING THE COVID-19 ACCESS TO JUSTICE CRISIS (Jan. 2021),

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

² See Bennett Leckrone, *Chief Judge: Eviction Filings Face Court Backlog*, MD. MATTERS (Sep. 9, 2020), <https://www.marylandmatters.org/2020/09/09/chief-judge-eviction-filings-face-court-backlog/>.

³ Matt Hill et al., *Reports Show the Effectiveness of Providing A Right to Counsel to Challenge Baltimore's High Rate of Evictions and Its Disparate Racial and Gender Impact*, PUB. JUST. CTR. (May 18, 2020) <https://www.publicjustice.org/en/news/dual-reports-show-the-effectiveness-of-providing-a-right-to-counsel-to-challenge-baltimores-high-rate-of-evictions-and-its-disparate-racial-and-gender-impact/>.

exacerbated these challenges, with more than 200,000 Marylanders estimated to face evictions once court proceedings resume and state and federal moratoria and defenses are lifted.⁴

The landlord's cost of filing is \$15, one of the lowest nationwide.⁵ Some states impose fees over \$300. These low filing fees cause landlords to engage in a practice called "serial eviction filings."⁶ Over 660,000 eviction cases are filed each year in Maryland.⁷ The filing rate in some counties is over 100%, meaning more eviction actions are brought than there are homes for rent.⁸ Baltimore City has 125,000 rental units, but roughly 140,000 eviction cases per year.⁹ About 6,500 result in removal.¹⁰ Why the discrepancy, and what happens to all the other cases? 84 percent of Baltimore City eviction actions are filed with only one month's rent due.¹¹ Worse, many landlords file as soon as tenants are a few days late. This practice has made courts "more like an extension of the residential rental business than an impartial arbitrator between landlords and tenants."¹²

Maryland's low barriers for filing eviction actions make it an outlier. Eviction filing rates in neighboring states range from 5.3% in Pennsylvania¹³ to 16.9% in Delaware.¹⁴ Rates in

⁴ See Angela Roberts, *Longtime Baltimore neighborhood leader among thousands of Marylanders facing eviction amid the pandemic*, BALT. SUN (Dec. 23, 2020), <https://www.baltimoresun.com/coronavirus/bs-md-eviction-coronavirus-20201218-7vdh0m3ipfgyjece7e24adifay-story.html>.

⁵ Brian Frosh, *Attorney General: Maryland Eviction Process 'Unfair to Tenants' | Commentary*, BALT. SUN (Dec. 11, 2020), <https://www.baltimoresun.com/opinion/op-ed/bs-ed-op-1213-frosh-serial-evictions-20201211-nnu6zmiqjgc7dyohhvqx5k3cu-story.html>.

⁶ See generally Lillian Leung et al., *Serial Eviction Filing: Civil Courts, Property Management, and the Threat of Displacement*, SOCIAL FORCES, Sep. 11, 2020, at 1, <https://academic.oup.com/sf/advance-article-pdf/doi/10.1093/sf/soaa089/33732959/soaa089.pdf> ("Serial eviction filings occur when a property manager files to evict the same household repeatedly from the same address.").

⁷ See Leckrone, *supra* note 2.

⁸ Md. Eviction Filing Rate Interactive Map, Eviction Lab, <https://evictionlab.org/map/#/2016?geography=counties&bounds=-84.401,36.16,-71.463,41.132&type=efr&locations=24,-77.222,39.273> (last visited Feb. 15, 2021).

⁹ STOUT RISIUS ROSS, *THE ECONOMIC IMPACT OF AN EVICTION RIGHT TO COUNSEL IN BALTIMORE CITY 19* (May 18, 2020), https://bmorerentersunited.org/wp-content/uploads/2020/05/Baltimore-RTC-Report_FINAL_5.8.2020.pdf.

¹⁰ See *id.*

¹¹ *Id.*, at 23.

¹² Leung et al., *supra* note 6, at 23.

¹³ Pa. Eviction Filing Rate Interactive Map, Eviction Lab, <https://evictionlab.org/map/#/2016?geography=states&bounds=-81.727,39.553,-73.482,42.43&type=efr&locations=42,-77.799,40.874> (last visited Feb. 15, 2021).

¹⁴ Del. Eviction Filing Rate Interactive Map, Eviction Lab, <https://evictionlab.org/map/#/2016?geography=states&bounds=-90.784,35.387,-66.895,43.876&type=efr&locations=10,-75.42,38.821> (last visited Feb. 15, 2021).

New Jersey¹⁵, the District of Columbia¹⁶, and Virginia¹⁷ range from 12.5% to 15.7%.
Maryland's rate in excess of 80% dwarfs them all.¹⁸

Forced displacement disrupts lives in profound and irrevocable ways. Its harms fall disproportionately on those least able to weather them.¹⁹ As one writer captures the impact of eviction, “without stable shelter, everything else falls apart.”²⁰ We must do more to help Maryland families keep things together.

For all the foregoing reasons, I urge the Committee to favorably report Senate Bill 530.

cc: Members of the Judicial Proceedings Committee

¹⁵ N.J. Eviction Filing Rate Interactive Map, Eviction Lab, <https://evictionlab.org/map/#/2016?geography=states&bounds=-90.784,35.387,-66.895,43.876&type=efr&locations=10,-75.42,38.821%2B34,-74.728,39.776> (last visited Feb. 15, 2021).

¹⁶ D.C. Eviction Filing Rate Interactive Map, Eviction Lab, <https://evictionlab.org/map/#/2016?geography=states&bounds=-78.346,38.465,-75.776,39.389&type=efr&locations=11,-77.016,38.905> (last visited Feb. 15, 2021).

¹⁷ Va. Eviction Filing Rate Interactive Map, Eviction Lab, <https://evictionlab.org/map/#/2016?geography=counties&bounds=-79.053,38.235,-74.946,39.711&type=efr&locations=51,-77.893,38.582> (last visited Feb. 15, 2021).

¹⁸ Compare Md. Eviction Filing Rate Interactive Map, *supra* note 12 (finding Maryland's eviction filing rate exceeds 100%) with Pa. Eviction Filing Rate Interactive Map, *supra* note 17 (finding Pennsylvania's eviction filing rate is 5.3%), Del. Eviction Filing Rate Interactive Map, *supra* note 18 (finding Delaware's eviction filing rate is 16.9%), N.J. Eviction Filing Rate Interactive Map, *supra* note 19 (finding New Jersey's eviction filing rate is 12.05%), D.C. Eviction Filing Rate Interactive Map, *supra* note 20 (finding District of Columbia's eviction filing rate is 15.67%), and Va. Eviction Filing Rate Interactive Map, *supra* note 20 (finding Virginia's eviction filing rate is 14.48%).

¹⁹ See HUNTER URB. POL'Y & PLAN., NEXT IN LINE: THE HUMAN COST OF THE EVICTION CRISIS 19 (2020), http://www.hunterurban.org/wp-content/uploads/2020/10/Studio-Spring-2020_Next-In-Line_The-Human-Cost-of-the-Eviction-Crisis.pdf.

²⁰ Interview, *Eviction: Not Just a Condition, but a Cause of Poverty*, U.S. CATH. (Feb. 13, 2018), <https://uscatholic.org/articles/201802/eviction-not-just-a-condition-but-a-cause-of-poverty/>.

SB530_testimony_evictionlab.pdf

Uploaded by: Hepburn, Peter

Position: FAV

Statement in support of Senate Bill 530 Landlord and Tenant - Eviction Actions - Filing Surcharge and Prohibited Lease Provisions

February 24, 2021

Lillian Leung, Doctoral Student in Sociology, Princeton University

Peter Hepburn, Assistant Professor of Sociology, Rutgers University-Newark

Matthew Desmond, Maurice P. Daring Professor of Sociology, Princeton University

America is in the midst of an affordable housing and eviction crisis. Today, most Americans are burdened by the high cost of housing. According to American Community Survey data for 2019, nearly half (46.3%) of renting households nationwide are housing cost burdened, spending more than 30% of their monthly income on housing, and nearly a quarter of renters (23.9%) spend over half their income on housing.¹ Housing cost burden is highest for renters of color and low-income households. Housing cost burden in Maryland is slightly above the national average: 49.9% of renting households are classified as housing cost burdened and 24.5% are severely burdened.²

Increasing housing cost burden places a growing number at risk of eviction. Princeton University's Eviction Lab estimates that 3.7 million eviction cases were filed nationwide in 2016. That amounts to an eviction filing rate of 9.6%: 9.6 evictions filed for every 100 renting households.³ We have collected data that suggest dramatically higher eviction filing rates in Maryland—as high as 92.5% in 2019 (see Appendix A).

At first glance, these numbers appear impossible: how can so high a share of Marylanders be on the verge of displacement in a given year? Simply put, eviction cases are not always a means of removing tenants. Rather, they are often a tool for property management and rent collection.

In our research, we have analyzed serial eviction filings.⁴ Serial eviction filings take place when landlords and property managers repeatedly file evictions against the same household, at the same address, across multiple months and even years. Analyzing court records from across the country, we found that nearly one-third of households facing eviction in 2014 were filed against repeatedly

¹ Joint Center for Housing Studies at Harvard University. “The State of the Nation’s Housing 2020.” Harvard University, 2020.

² Author’s calculations based on 2019 one-year American Community Survey Data for Maryland. Underlying data are available at:

<https://data.census.gov/cedsci/table?t=Renter%20Costs&g=0400000US24&y=2019&tid=ACSDT1Y2019.B25070&hidePreview=true>

³ Ashley Gromis, et al., “Estimating the National Prevalence of Eviction Using Millions of Public Court Records,” Working Paper: Princeton University, Eviction Lab, 2020.

⁴ Lillian Leung, Peter Hepburn, and Matthew Desmond, “Serial Eviction Filing: Civil Courts, Property Management, and the Threat of Displacement,” *Social Forces* (2020): 1-29.

at the same address. Interviews with 33 landlords and property managers led us to conclude that serial eviction filings were often used as a tool to facilitate rent collection—the threat of displacement a powerful inducement to pay rent. But such practices were only plausible where eviction filing fees were low and regulatory barriers minimal.

Serial eviction filing rates varied considerably across the country. In Indiana, Illinois, and Florida, less than one in every ten cases was a repeat filing. By contrast, almost half of eviction cases filed in 2014 were part of a serial eviction case in Delaware, South Carolina, and Virginia. Our research shows that states that make eviction cheaper and quicker had significantly higher rates of serial eviction filings. In these states, eviction courts function as the court of first, not last resort.

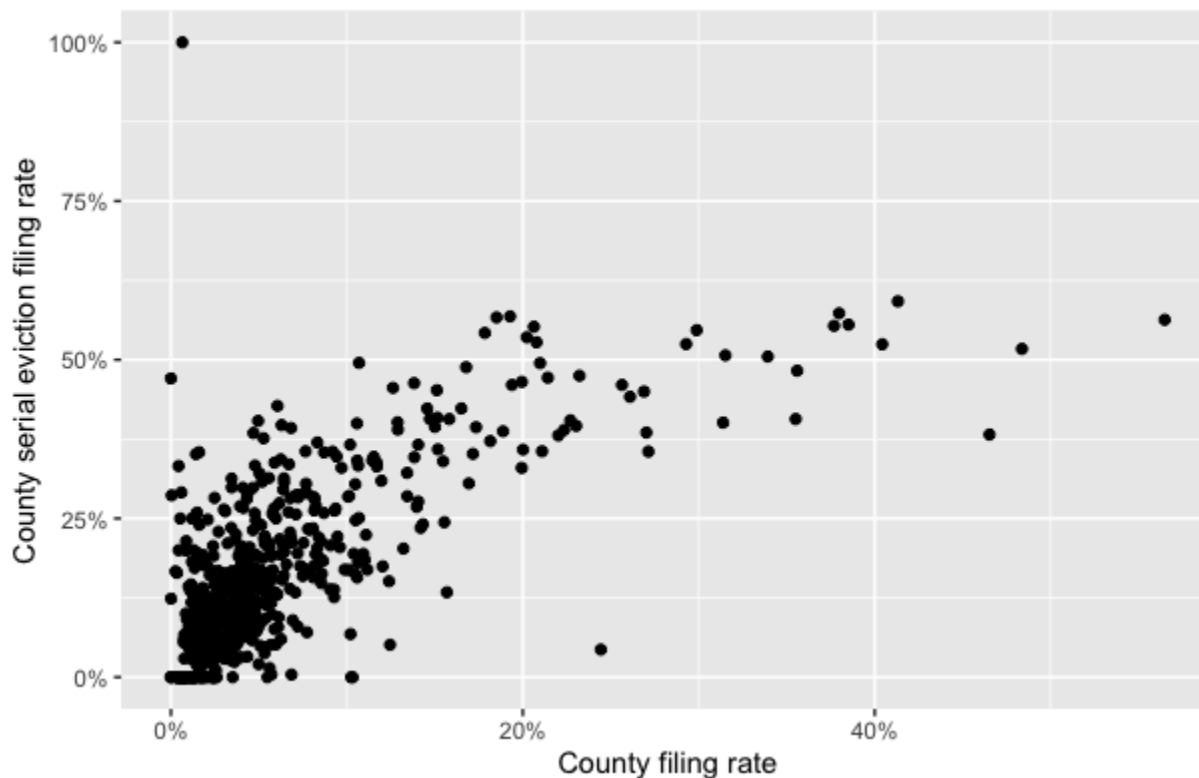
To put this in context of SB 530, the current filing fee for Failure to Pay Rent cases in Maryland is \$15 (except Baltimore City, where it costs \$25). This is among the lowest in the country. The average filing fee nationwide is \$112, with Minnesota having the highest average filing fee (\$295.5).⁵ Only Washington, D.C. has an eviction filing fee as low as Maryland's. In response to its high caseload of eviction filings, the D.C. Superior Court is currently considering raising its initial eviction filing fees from \$15 to \$100.⁶

Due to the unavailability of case-level eviction filing data in the state, we cannot estimate serial eviction filing rates in Maryland. We provide statistics from nearby and similar states in Appendix B. We conducted new analyses exploring the association between eviction filing rates and *serial* eviction filing rates. These analyses demonstrate that states with higher overall filing rates tend to also have higher serial eviction filing rates as well (see Plot 1).

⁵ Figures are based on 2018 filing fee information collected by the Eviction. Filing fees might vary across counties within the same state; figures cited are state average.

⁶ The Superior Court of the District of Columbia. "Request for Public Comment on the Initial Filing Fee for Landlord-Tenant Action." 2/19/2021. <https://www.dcbcr.org/getmedia/57613326-553d-4918-b4b1-edcaebcb659e/Notice-and-Request-for-Comment-on-Initial-Filing-Fee-for-Landlord-Tenant-Action>

Plot 1. County-level serial eviction filing rate by overall eviction filing rate.



Note: Estimates are based on data from Leung et al. (2020). All estimates pertain to rates for 2014. No serial eviction filing data are available for Maryland.

There is considerable evidence to suggest that serial eviction filings are a common occurrence in Maryland. As noted above, the state’s overall eviction filing rate—which we can calculate given aggregate statistics described in Appendix A—is extraordinarily high. In 2019, 675,625 landlord-tenant cases were processed, translating to approximately 92.54 cases per 100 renting households.⁷ In the most extreme cases, we see a filing rate of 177.0% in Baltimore County, 131.5% in Prince George’s County, and 106.5% in Baltimore City in 2019. These rates of over 100% suggest many of these filings were likely part of serial eviction cases. Extrapolating the general pattern observed in Plot 1 to the eviction rates in Maryland, it seems more likely than not that a considerable share of all eviction filing in the state are serial eviction filings.

Serial eviction filings result in serious consequences on tenants, even those who never receive an eviction judgment. Having multiple eviction filings tarnishes tenants’ rental histories and creates barriers to finding housing in the future. In our interviews with property managers, many noted that they rejected applicants with negative rental history, even those that did not culminate in an

⁷ Monthly statistic reports were summed to obtain figures for 2019:
<https://mdcourts.gov/sites/default/files/import/district/statistics/2019/Calendar19.pdf>

eviction judgment. This pattern has also been documented by a number of journalists studying the tenant screening industry.⁸

Serial eviction filings also increase housing costs for households that are already struggling to pay rent. Landlords and property managers that we interviewed noted that they typically pass court costs, including filing and attorney fees, to tenants. We estimated that, across the country, each eviction filing translates into approximately \$180 in fines and fees for the typical renter household that pays to stay in their unit, raising their monthly housing cost by 20%. This bill's provisions ensuring that landlords and property managers do not pass on these costs should help to reduce the financial burdens of tenants who are already at risk of eviction.

Increasing the filing fee for eviction cases should serve to reduce undue and frivolous eviction filings, limit serial eviction filings, and lower administrative stress and burden on the court system. Trying to put current caseloads in context, we estimate that each district court in Maryland must handle an average of almost 400 cases *weekly*.⁹ Some, however, process far more than that. A 2015 report by the Public Justice Center and the Right to Housing Alliance estimates the “rent court” in Baltimore City, which has one of the state’s highest eviction filing rates, processes roughly 1,000 cases per day. The report describes “overwhelmed dockets” and rapid processes that undermine the court’s fairness.¹⁰

Our research indicates that SB 530 (Landlord and Tenant - Eviction Actions - Filing Surcharge and Prohibited Lease Provisions) would likely result in preventing unnecessary, serial eviction filings by raising the filing fee residential landlords are required to pay to initiate eviction proceedings against a tenant, bringing that fee much more in line with other states.

⁸ Megan Kimble, “The Blacklist,” *The Texas Observer*, 12/9/2020; Lauren Kirchner, “Data Brokers May Report COVID-19–Related Evictions for Years,” *The Markup*, 8/4/2020; Kyle Swenson, “The stimulus relieved short-term pain, but eviction’s impact is a long haul,” *The Washington Post*, 2/8/2021.

⁹ We produced a back-of-the-envelope calculation by dividing the total number of filings in Maryland in 2019 by 52 weeks and by the 33 district court locations in Maryland.

¹⁰ The Public Justice Center, the Right to Housing Alliance, Dan Pasciuti, and Michele Cotton. 2015. “Justice Diverted: How Renters Are Processed in the Baltimore City Rent Court.”

http://www.publicjustice.org/wp-content/uploads/2019/09/JUSTICE_DIVERTED_PJC_DEC15.pdf

Appendix A

We have calculated state-level eviction filing rates using court statistics retrieved from Maryland's annual court reports. Data for 2000 to 2016 are drawn from Maryland Judiciary's annual Statistical Abstracts.¹¹ Data for 2017 through 2019 are sourced from monthly statistical reports on the Maryland Courts' website.¹² National filing rates are drawn from the Eviction Lab's website and are available only between 2000 and 2016.¹³

The filing rate is calculated by dividing the number of landlord-tenant cases filed that year by the number of renting households, drawn from the U.S. Census Bureau's American Community Survey. The rates below do not account for serial eviction filings.

State-level eviction filing rates in Maryland, 2000-2019

Year	Maryland Filing Rate (%)	National Filing Rate (%)
2000	82.27	6.00
2001	77.25	6.38
2002	81.14	6.96
2003	80.51	7.04
2004	79.22	7.07
2005	79.33	7.22
2006	81.62	7.49
2007	86.38	6.42
2008	88.87	6.50
2009	87.05	6.44
2010	91.25	7.05
2011	86.43	7.22
2012	88.39	6.98
2013	87.08	6.73

¹¹ <https://mdcourts.gov/publications/annualreports>

¹² <https://mdcourts.gov/district/about#stats>

¹³ <https://evictionlab.org/>

2014	83.75	6.60
2015	83.33	6.27
2016	83.65	6.12
2017	89.44	NA
2018	90.28	NA
2019	92.54	NA

Appendix B

State	Average Filing Fee (2018) (\$)	State Serial Eviction Filing Rate (%)
Delaware	40	56.3
North Carolina	126	41.3
South Carolina	40	46.7
Virginia	44.5	50.7
West Virginia	50	10

Renters United MD_FAV_SB530.pdf

Uploaded by: Hill, Matt

Position: FAV



Senate Bill 530
Landlord and Tenant – Eviction Actions – Filing Surcharge and
Prohibited Lease Provisions
Before the Senate Judiciary Proceedings Committee, Feb. 26, 2021

Position: FAVORABLE

Renters United Maryland (RUM) is a statewide coalition of renters, organizers, and advocates for safe, stable housing. We stand on the principle that housing is a human right that is critical to an individual’s quality of life, the health of families, and the prosperity of communities. The following members of Renters United Maryland urge a FAVORABLE report on SB 530:

Public Justice Center	Homeless Persons Rep. Project	CASA De Maryland
Mont. County Renters’ Alliance	Santoni, Vocci & Ortega, LLC	Eva Rosen, Ph.D., Georgetown Univ.
Catholic Charities	Right to Housing Alliance	Ches. Physicians for Social Respons.
Strong Future Maryland	Health Care for the Homeless	Md. Access to Justice Commission
Md. Legislative Coalition	Communities United	Md. Ctr. on Economic Policy
Our Revolution, MD	Beyond the Boundaries	Civ. Advoc. Clinic, Univ. of Baltimore
Jews United for Justice		

Housing Court must be about Housing Justice – not the frontline of landlord debt collection. Today in Maryland the opposite is true. Over 660,000 eviction complaints are filed each year (pre-pandemic) with only approximately 730,000 renter households in the state.

Why? Because the General Assembly has given landlords cheap, easy access to a state-financed debt collection system called “rent court” to obtain rent/repossession. According to the Attorney General, other states charge an average of \$122 per filing for eviction; Maryland charges \$15 per filing – one of the lowest in the country. Service of process costs only \$5 for first-class mailing and posting to the leased property (“nail and mail” service). Most other states require landlords to send a pre-filing notice to the tenant: “Pay \$xx within 10 days or we will file a complaint.” Maryland does not.

One part of the solution: SB 530 removes the incentive for landlords to file for eviction each month on the 6th if the tenant is only one day late with the rent. [Eighty-four percent](#) of Baltimore City eviction actions are filed with only one month’s rent due. Under SB 530, landlords will be incentivized to send a notice to the tenant first, reminding the tenant to pay. Landlords will have an incentive to work out a payment plan or even make repairs to the roof so that the tenant will pay the rent and landlords will not need to file a more expensive eviction action. Raising the surcharge was a key recommendation of the Attorney General’s Task Force that produced [Confronting the COVID-19 Access to Justice Crisis](#).

SB 530 must retain strong protections against landlords passing on these surcharges to the very tenants who are desperately trying to avoid eviction. SB 530 does that by stating that the court may not pass on the surcharge to a tenant in an eviction action, and the landlord may not pass on the surcharge to a tenant in a lease provision. The bill also provides a remedy to the tenant if the landlord does so. There are a number of provisions in Maryland law that stop creditors from passing on certain

fees to debtors including some mortgagee inspection, escrow, and servicing fees. *See, e.g.*, Md. Code Ann., Com. Law 12-121(b) and 12-109.2. The benefits of a uniquely swift summary ejectment/collection process accrue to the landlord, and so this additional surcharge should stay with the landlord.

Leaving the assessment of the surcharge to “judicial discretion” as some landlords have requested only reinforces the status quo in which tenants almost always pay. “Judicial discretion” is what happens now. In all default judgments or judgments in favor of the landlord, the Court may award court costs against the tenant right now, and the Court routinely does so. The assessment of costs, while already discretionary under Real. Prop. § 8-401, is virtually automatic in practice. Even if the case does not go to trial – perhaps because the tenant has a defense and the landlord voluntarily dismisses the case – the landlord still assesses the court costs against the tenant via a lease provision allowing them to do so. “Judicial discretion” means, in practice, that the tenant almost always pays.¹ It is unconscionable for landlords to pass on any additional fee or charge directly to tenants already most at risk of eviction.

Serial complaint filing also causes tenants to fall further and further in debt. Right now, landlords often file on the 6th of each month and add additional fees to the ledger thereby digging a deeper hole -- even if the tenant only owes \$300 or is one day behind. Under the current regime, even if the tenant is only one day late or only owes \$300, the landlord adds to the tenant’s ledger a 1) 5% late fee, 2) court filing fee of \$20 to \$30, and 3) often an “agent fee” (a fee to cover additional, purported administrative costs). These additional fees make it even hard for tenants to catch up. Landlords will still maintain their 5% late fee, but SB 530 will provide an incentive for the landlord to send a notice first, work out a payment plan, or fix a habitability issue before filing for eviction.

Serial complaint filing is a significant problem for tenants who want to defend their eviction cases. If a renter has a defense to the eviction complaint, they must take off work, find alternative childcare, rearrange medical appointments and show up at court often with as little as 2 days’ notice! Contrary to assertions by Md. Multi Housing Assoc., renters have many defenses in these cases. In one 2016 survey of tenants who were at court, 80% had a defense. [Sixty-eight percent of tenants had a defense based on uninhabitable conditions](#) in the property (but only 8% of tenants were able to successfully raise the defense *pro se*). Other non-habitability-related defenses include that the landlord lacks a license/lead registration; accounting errors in the ledger; seeking excessive fees and non-rent charges; and wrongfully trying to foreclose the right to redeem.

Landlords are quick to blame the tenant’s “right of redemption” in Maryland for the high filing rate, but a comparison to D.C. reveals that this is misleading. The right of redemption, also known as the right to “pay and stay,” means that the tenant can pay off a rent judgment anytime before the eviction for three judgments in a 12-month period. On the 4th judgment (5th in Balt. City), the landlord can foreclose that right. *Maryland has an eviction complaint filing rate of 2.35 cases per cost-burdened*

¹ There is one exception: In the approximately 2,600 cases (2,602 in FY 2019) involving rent escrow each year, if the court finds in favor of the tenant, the court will likely not award the landlord costs.

*renter household (2019 ACS & Judiciary data). D.C. has an eviction complaint filing rate of 0.54 cases per cost-burdened household (2018-29 DC Court & ACS data). D.C. has a right to redeem just like Maryland. So why the difference in filing rate? D.C. reduces the easy access of landlords to filing and litigating by requiring a pre-filing notice and allocating almost \$5 million/year to representation for tenants. To further reduce the filing of eviction complaints, D.C. is considering raising the cost of filing to \$100. **D.C. has recognized that by removing the special access that landlords receive to an incredibly cheap, low-entry-barrier eviction process, the district can reduce serial filings and create a fairer system for all.***

The disparate impact of the eviction crisis on Black households cannot be overstated: [According to State DHCD 35.5% of Black renters in Maryland are facing eviction compared to 13.9% of White renters](#). The well-documented systemic and institutionalized racism in housing, income, wealth, and so many other markers of human thriving have been exacerbated by this pandemic. The question is whether the General Assembly will have the courage to act and address the nature of the eviction process driving the crisis and resulting disparate impact on Black and brown communities.

Nothing is more dehumanizing in our civil legal system than the current “cattle call” approach to failure-to-pay-rent eviction cases. Raising the filing surcharge is a critical component of reducing the number of eviction cases, funding a right to counsel in eviction cases, and restoring the court as a place of housing justice instead of a cheap, easy way for landlords to quickly collect alleged debts.

The RUM Members listed above urge the Committee to issue a FAVORABLE report on SB 530.

MAP - SB 530 Eviction Action- FAVORABLE (1).pdf

Uploaded by: Jefferson , Stacey

Position: FAV



Member Agencies:

Advocates for Children and Youth
Baltimore Jewish Council
Behavioral Health System Baltimore
CASH Campaign of Maryland
Catholic Charities
Episcopal Diocese of Maryland
Family League of Baltimore
Fuel Fund of Maryland
Health Care for the Homeless
Homeless Persons
Representation Project
Job Opportunities Task Force
League of Women Voters of Maryland
Loyola University Maryland
Maryland Catholic Conference
Maryland Center on Economic Policy
Maryland Community Action
Partnership
Maryland Family Network
Maryland Hunger Solutions
Paul's Place
Public Justice Center
St. Vincent de Paul of Baltimore
Welfare Advocates

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TESTIMONY IN SUPPORT OF SB 530

Landlord and Tenant – Eviction Actions – Filing Surcharge and Prohibited Lease Provisions

Senate Judicial Proceedings Committee

February 26, 2021

Submitted by Stacey Jefferson and Julia Gross, Co-Chairs

Marylanders Against Poverty (MAP) strongly supports SB 530, which would raise the filing fee surcharge for eviction actions in Maryland. Maryland's current filing fee at \$15 is one of the lowest in the nation. By raising the fee closer to the national average at approximately \$122, Maryland will end the current process by which the State subsidizes the landlord's initial debt collection effort.

Raising the fee and allocating those funds to a right to counsel in eviction cases would give landlords an incentive to communicate with tenants before filing for eviction. Namely, landlords would have an incentive to work out a payment plan or find out whether severe conditions of disrepair on the property should be fixed to facilitate the payment of rent. Raising the filing fee is but one small way in which the State can discourage eviction actions and the devastating consequences of eviction.

Each year in Maryland, more than 30,000 people experience homelessness. Leading researchers with the Aspen Institute and others have [documented the ways in which eviction cause homelessness and other forms of immense human suffering](#):

[Following eviction](#), a person's likelihood of experiencing homelessness increases, mental and physical health are diminished, and the probability of obtaining employment declines. Eviction is linked to [numerous poor health outcomes](#), including depression, suicide, and anxiety, among others. Eviction is also [linked with respiratory disease](#), which could increase the risk of complications if COVID-19 is contracted, as well as mortality risk during COVID-19. Eviction makes it more expensive and more difficult for tenants who have been evicted to [rent safe and decent housing](#), apply for credit, borrow money, or purchase a home. Instability, like eviction, is [particularly damaging to children](#), who suffer in ways that impact their educational development and well-being for years.

This does not include the [enormous public costs of eviction and homelessness](#) from Medicaid-insured homeless persons forced to use the emergency room as their primary care physician or the increased number of children forced to enter foster care due to eviction.

Certainly, a critical component of ending evictions and homelessness is creating new affordable housing opportunities for families with limited incomes. Yet another aspect of ending homelessness and eviction must be reducing the incentive for landlords to seek eviction and protecting tenants' current legal rights to secure, habitable housing in any eviction action. SB 530 will raise the bar for landlords to file an eviction action and direct funding to legal representation for tenants to enforce their current rights under the law.

Finally, MAP is strongly in support of the protections in SB 530 that prohibit the court and landlords from passing this filing fee surcharge onto the tenant. Tenants who are already struggling to avoid eviction must not be saddled with an additional fee that could make it even more difficult for them to avoid eviction. Without this critical protection for tenants, MAP would not support the bill.

MAP appreciates your consideration and urges the committee to issue a favorable report for SB 530.

SB 530/HB 729 is part of a larger package of Housing Justice bills necessary to support safe, healthy, fair, and affordable housing in Maryland. Marylanders Against Poverty proudly supports this package. For more information visit www.rentersunitedmaryland.org.

Marylanders Against Poverty (MAP) is a coalition of service providers, faith communities, and advocacy organizations advancing statewide public policies and programs necessary to alleviate the burdens faced by Marylanders living in or near poverty, and to address the underlying systemic causes of poverty.

MLSC - MCASA - OAG - testimony - senate - 2021.pdf

Uploaded by: Jordan, Lisae C

Position: FAV



Working to end sexual violence in Maryland

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For more information contact:
Lisae C. Jordan, Esquire
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Testimony Supporting Senate Bill 530 **Lisae C. Jordan, Executive Director & Counsel** February 26, 2021

The Maryland Coalition Against Sexual Assault (MCASA) is a non-profit membership organization that includes the State's seventeen rape crisis centers, law enforcement, mental health and health care providers, attorneys, educators, survivors of sexual violence and other concerned individuals. MCASA includes the Sexual Assault Legal Institute (SALI), a statewide legal services provider for survivors of sexual assault. MCASA represents the unified voice and combined energy of all of its members working to eliminate sexual violence. We urge the Judicial Proceedings Committee to report favorably on Senate Bill 530.

Legal Services Funding Crisis

These bills would increase filing fees that support civil legal services for economically disadvantaged people in Maryland and help maintain Maryland's legal services safety net. This important legal services safety net has been critically injured by the COVID pandemic and is in jeopardy of failing if the legislature does not act.

Senate Bill 530 – Increase in Surcharge on Summary Ejectment, Tenant Holding Over, and Breach of Lease cases to address Eviction Crisis and Support Civil Legal Services

This bill was developed by the Attorney General through the COVID 19 Task Force on Access to Justice. It would bring filing fees in landlord tenant cases closer in line with surcharges filed in other states. Proceeds would support civil legal services, including regarding housing.

MCASA's Sexual Assault Legal Institute (SALI) receives significant funding from the Maryland Legal Services Corporation. With this support, SALI serves low-income victims of sexual assault all over the State. SALI uses MLSC funding to support attorneys and advocates in cases including school & education issues, peace orders, protective orders (including for incest), U-visas to allow immigrant victims to stay in the US and assist with prosecution, privacy matters, and other matters arising from the sexual assault or abuse. MLSC funding is especially critical in child sexual abuse cases.

COVID is increasing the need for legal services.

Perpetrators are emboldened by the pandemic. They are using the pandemic to gain or renew access to victims, intimidate survivors into silence, and interfere with survivors' attempts to seek safety and justice. Sexual assault survivors are dealing with the "paradox of social distancing," increasing economic instability, homelessness, job loss, mental health needs, amplified trauma, and isolation. This crisis has led not only to an increase in the number of survivors seeking services, but to an increase in the number of services survivors seek.

At the **Sexual Assault Legal Institute**,

183 survivors were helped in December 2019
318 survivors were helped in December 2020

This increase is a result of the COVID pandemic.

Sexual assault and child sexual abuse can impact a wide array of legal issues.

Examples of MLSC-funded cases at SALI include the following (identifying information has been changed to protect privacy):

“Gina”, ten year old girl, was sexually assaulted by her step-father and step-uncle on separate occasions. Gina is autistic and has challenges communicating. Since the incidents she has had sleep disorders, shows signs of disassociation, and has begun therapy and counseling. Despite her disability, Gina was able to help prosecute and convict both perpetrators in Frederick County Circuit Court. Gina and her mother were in the U.S. without documentation. After the criminal case was completed they went to the local rape crisis center which referred Gina and her mother to SALI. A SALI attorney worked with the clinicians helping Gina and documented the abuse and its effects. The attorney then obtained law enforcement certification verifying that Gina and her mother helped prosecute a violent criminal. With this documentation as support, a petition for a U-visa was filed and granted. Now Gina and her mother are in America legally and continuing to work to heal from Gina’s sexual abuse.

“Jennifer” is a 12 year old girl who was fondled by her biological father while visiting him in Prince George's County. After she her mother about the abuse, the mother filed a Petition for a Protective Order and reported the abuse to the police. She was referred to SALI by both the local sexual assault program and through the written information police provide to all crime victims. A SALI advocate performed and intake and provided safety planning; the case was then assigned to an attorney. The SALI attorney advised Jennifer’s mother about her options and discussed how a civil protective order proceeding could impact the criminal case. The SALI attorney then provided representation in the protective order case, preparing three witnesses to testify: the victim, her mother, and a babysitter who was the first to hear about the abuse. Fortunately, the SALI attorney negotiated a consent order, so the child was spared having to testify. Keeping witnesses off the stand also helps protect the criminal case by reducing opportunities for impeachment. While the protective order was entered without a trial, it was strong: it ordered that the perpetrator stay away from the victim, granted the mother custody and provided for no visitation between the perpetrator and the victim. After the order was entered on the record, officers immediately arrested the perpetrator and he was detained pending his criminal trial.

“James”, a 7 year old boy in Anne Arundel County, lived in public housing with his family. One day a 13 year old boy who also lived in the housing project took James and another boy into the woods and sexually assaulted them. After telling his mother and the police what happened, James became afraid to leave the Senate. James’s mother, “Linda”, contacted SALI for assistance in having the family transferred to another public housing project.

SALI advocated with the Anne Arundel Housing Commission on the family’s behalf. The family was moved to the top of the waiting list and was placed in a new apartment as soon as one became available, instead of enduring a long waiting process (months instead of potentially 1-2 years). By the time the

family was moved, the date to register new students in the new school district had passed. SALI again intervened by contacting the new school district and advocating that the family be able to register late due to the extenuating circumstances. The children were soon successfully enrolled and a victim of child sexual abuse is able to continue his recovery.

Legal services like those described above are a vital part of Maryland's safety net for children, women, and men victimized by sexual violence. As our State searches for ways to respond to sex offenses, we must continue to remember individual victims and all of their needs, including their need for legal services.

MCASA member programs across Maryland use MLSC funding to help survivors of sexual assault, domestic violence, and child abuse. In addition to SALI, these programs include the Life Crisis Center on the Lower Eastern Shore, the Southern Maryland Center for Family Advocacy, Citizens Assisting and Sheltering the Abused in Washington County, Heartly Senate in Frederick, HopeWorks in Howard, Sexual Assault/Spousal Abuse Resource Center (SARC) in Harford County, and others. Together, these programs provide legal services for over 7500 victims and survivors annually.

Without the support of the Maryland Legal Services Corporation and the programs it funds, low-income victims and survivors would often have no access to the legal services needed to recover, heal, and have access to justice.

**The Maryland Coalition Against Sexual Assault and its
Sexual Assault Legal Institute
urges the Judicial Proceedings Committee to
report favorably on Senate Bill 530**

2021-02-26 SB 530 (Support).pdf

Uploaded by: Kemerer, Hannibal

Position: FAV

BRIAN E. FROSH
Attorney General



ELIZABETH F. HARRIS
Chief Deputy Attorney General

CAROLYN QUATTROCKI
Deputy Attorney General

STATE OF MARYLAND
OFFICE OF THE ATTORNEY GENERAL

FACSIMILE NO.

WRITER'S DIRECT DIAL NO.

410-576-6584

February 26, 2021

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

FROM: Brian E. Frosh
Attorney General

RE: SB 530 – Landlord and Tenant – Eviction Actions – Filing Surcharge and Prohibited
Lease Provisions – **Support**

Chairman Smith, Vice Chair Waldstreicher, and distinguished Members of the Judicial Proceedings Committee, thank you for the opportunity to testify in support of SB 530. Like a number of other bills this Committee has considered, SB 530 is a recommendation of our COVID-19 Access to Justice Task Force.¹

This bill would increase Maryland's eviction filing fee from \$15 to the approximate national average of \$120. The increased revenues would serve as a stable funding stream for the Maryland Legal Services Corporation.

Many Maryland families were facing housing instability long before the pandemic. In 2019, more than 660,000 evictions were filed in Maryland district courts.² And as with the health outcomes of COVID-19, communities of color are facing the greatest hardships. In Baltimore City, for example, the number of eviction removals of Black households in 2018 and 2019 was three times higher than those for white households.³ The pandemic further

¹ See generally MD. ATT'Y GEN. BRIAN E. FROSH'S COVID-19 ACCESS TO JUST. TASK FORCE, CONFRONTING THE COVID-19 ACCESS TO JUSTICE CRISIS (Jan. 2021),

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

² See Bennett Leckrone, *Chief Judge: Eviction Filings Face Court Backlog*, MD. MATTERS (Sep. 9, 2020), <https://www.marylandmatters.org/2020/09/09/chief-judge-eviction-filings-face-court-backlog/>.

³ Matt Hill et al., *Reports Show the Effectiveness of Providing A Right to Counsel to Challenge Baltimore's High Rate of Evictions and Its Disparate Racial and Gender Impact*, PUB. JUST. CTR. (May 18, 2020) <https://www.publicjustice.org/en/news/dual-reports-show-the-effectiveness-of-providing-a-right-to-counsel-to-challenge-baltimores-high-rate-of-evictions-and-its-disparate-racial-and-gender-impact/>.

exacerbated these challenges, with more than 200,000 Marylanders estimated to face evictions once court proceedings resume and state and federal moratoria and defenses are lifted.⁴

The landlord's cost of filing is \$15, one of the lowest nationwide.⁵ Some states impose fees over \$300. These low filing fees cause landlords to engage in a practice called "serial eviction filings."⁶ Over 660,000 eviction cases are filed each year in Maryland.⁷ The filing rate in some counties is over 100%, meaning more eviction actions are brought than there are homes for rent.⁸ Baltimore City has 125,000 rental units, but roughly 140,000 eviction cases per year.⁹ About 6,500 result in removal.¹⁰ Why the discrepancy, and what happens to all the other cases? 84 percent of Baltimore City eviction actions are filed with only one month's rent due.¹¹ Worse, many landlords file as soon as tenants are a few days late. This practice has made courts "more like an extension of the residential rental business than an impartial arbitrator between landlords and tenants."¹²

Maryland's low barriers for filing eviction actions make it an outlier. Eviction filing rates in neighboring states range from 5.3% in Pennsylvania¹³ to 16.9% in Delaware.¹⁴ Rates in

⁴ See Angela Roberts, *Longtime Baltimore neighborhood leader among thousands of Marylanders facing eviction amid the pandemic*, BALT. SUN (Dec. 23, 2020), <https://www.baltimoresun.com/coronavirus/bs-md-eviction-coronavirus-20201218-7vdhom3ipfgyjece7e24adifay-story.html>.

⁵ Brian Frosh, *Attorney General: Maryland Eviction Process 'Unfair to Tenants' | Commentary*, BALT. SUN (Dec. 11, 2020), <https://www.baltimoresun.com/opinion/op-ed/bs-ed-op-1213-frosh-serial-evictions-20201211-nnu6zmiqjgc7dyohhvqx5k3cu-story.html>.

⁶ See generally Lillian Leung et al., *Serial Eviction Filing: Civil Courts, Property Management, and the Threat of Displacement*, SOCIAL FORCES, Sep. 11, 2020, at 1, <https://academic.oup.com/sf/advance-article-pdf/doi/10.1093/sf/soaa089/33732959/soaa089.pdf> ("Serial eviction filings occur when a property manager files to evict the same household repeatedly from the same address.").

⁷ See Leckrone, *supra* note 2.

⁸ Md. Eviction Filing Rate Interactive Map, Eviction Lab, <https://evictionlab.org/map/#/2016?geography=counties&bounds=-84.401,36.16,-71.463,41.132&type=efr&locations=24,-77.222,39.273> (last visited Feb. 15, 2021).

⁹ STOUT RISIUS ROSS, *THE ECONOMIC IMPACT OF AN EVICTION RIGHT TO COUNSEL IN BALTIMORE CITY 19* (May 18, 2020), https://bmorerentersunited.org/wp-content/uploads/2020/05/Baltimore-RTC-Report_FINAL_5.8.2020.pdf.

¹⁰ See *id.*

¹¹ *Id.*, at 23.

¹² Leung et al., *supra* note 6, at 23.

¹³ Pa. Eviction Filing Rate Interactive Map, Eviction Lab, <https://evictionlab.org/map/#/2016?geography=states&bounds=-81.727,39.553,-73.482,42.43&type=efr&locations=42,-77.799,40.874> (last visited Feb. 15, 2021).

¹⁴ Del. Eviction Filing Rate Interactive Map, Eviction Lab, <https://evictionlab.org/map/#/2016?geography=states&bounds=-90.784,35.387,-66.895,43.876&type=efr&locations=10,-75.42,38.821> (last visited Feb. 15, 2021).

New Jersey¹⁵, the District of Columbia¹⁶, and Virginia¹⁷ range from 12.5% to 15.7%.
Maryland's rate in excess of 80% dwarfs them all.¹⁸

Forced displacement disrupts lives in profound and irrevocable ways. Its harms fall disproportionately on those least able to weather them.¹⁹ As one writer captures the impact of eviction, “without stable shelter, everything else falls apart.”²⁰ We must do more to help Maryland families keep things together.

For all the foregoing reasons, I urge the Committee to favorably report Senate Bill 530.

cc: Members of the Judicial Proceedings Committee

¹⁵ N.J. Eviction Filing Rate Interactive Map, Eviction Lab, <https://evictionlab.org/map/#/2016?geography=states&bounds=-90.784,35.387,-66.895,43.876&type=efr&locations=10,-75.42,38.821%2B34,-74.728,39.776> (last visited Feb. 15, 2021).

¹⁶ D.C. Eviction Filing Rate Interactive Map, Eviction Lab, <https://evictionlab.org/map/#/2016?geography=states&bounds=-78.346,38.465,-75.776,39.389&type=efr&locations=11,-77.016,38.905> (last visited Feb. 15, 2021).

¹⁷ Va. Eviction Filing Rate Interactive Map, Eviction Lab, <https://evictionlab.org/map/#/2016?geography=counties&bounds=-79.053,38.235,-74.946,39.711&type=efr&locations=51,-77.893,38.582> (last visited Feb. 15, 2021).

¹⁸ Compare Md. Eviction Filing Rate Interactive Map, *supra* note 12 (finding Maryland's eviction filing rate exceeds 100%) with Pa. Eviction Filing Rate Interactive Map, *supra* note 17 (finding Pennsylvania's eviction filing rate is 5.3%), Del. Eviction Filing Rate Interactive Map, *supra* note 18 (finding Delaware's eviction filing rate is 16.9%), N.J. Eviction Filing Rate Interactive Map, *supra* note 19 (finding New Jersey's eviction filing rate is 12.05%), D.C. Eviction Filing Rate Interactive Map, *supra* note 20 (finding District of Columbia's eviction filing rate is 15.67%), and Va. Eviction Filing Rate Interactive Map, *supra* note 20 (finding Virginia's eviction filing rate is 14.48%).

¹⁹ See HUNTER URB. POL'Y & PLAN., NEXT IN LINE: THE HUMAN COST OF THE EVICTION CRISIS 19 (2020), http://www.hunterurban.org/wp-content/uploads/2020/10/Studio-Spring-2020_Next-In-Line_The-Human-Cost-of-the-Eviction-Crisis.pdf.

²⁰ Interview, *Eviction: Not Just a Condition, but a Cause of Poverty*, U.S. CATH. (Feb. 13, 2018), <https://uscatholic.org/articles/201802/eviction-not-just-a-condition-but-a-cause-of-poverty/>.

CC - SB 530 - Eviction Filing Fees - Favorable.pdf

Uploaded by: Klingenmaier, Lisa

Position: FAV

Senate Bill 530
Landlord Tenant – Eviction Actions – Filing Surcharge and Prohibited Lease Provisions

Senate Judicial Proceedings Committee
February 26, 2021

Support

Catholic Charities of Baltimore strongly supports SB 530, which increases the surcharge the District Court is required to assess per civil case for summary ejection, tenant holding over, and breach of lease that seeks a judgement for possession of residential property against a residential tenant to \$120. Additionally, it disallows a landlord from passing the surcharge fee to the tenant in the lease agreement.

Inspired by the gospel to love, serve and teach, Catholic Charities provides care and services to improve the lives of Marylanders in need. As the largest human service provider in Maryland working with tens of thousands of youth, individuals, and families each year, we see the traumatic impact of eviction and housing displacement every day. Homelessness and housing instability are public health crises, and the failure of Maryland's safety net systems to assist struggling low-income renters has only been exacerbated by the pandemic. COVID-19 has laid to bare longstanding inequities in our systems, including inequitable eviction processes. We strongly support SB 530, and the examples below outline how we see this legislation benefiting those we serve:

SB 530 will reduce the incidence and burdens of homelessness. We provide homeless services across central and western Maryland, and often those we work with tell us their households spiraled into homelessness due to an eviction they faced alone and without mediation or support. The stories we hear from our clients mirror what our state data shows: as a result of COVID-19, an estimated 200,000 Maryland households were at risk of eviction at the end of 2020.¹ Stable housing is a cornerstone of stable families, and this bill creates a fairer rent court by increasing the fee landlords must pay to file eviction proceedings to the national average. Without this increase, Maryland has one of the lowest filing fees in the country, meaning landlords can file eviction proceedings for cheap, ultimately using the courts as a state-financed debt collect system that harms tenants and bypasses any opportunity for mediation.

Reenvisioning eviction proceedings in Maryland will assist in the social and economic recovery from COVID. Tragically, during this historic public health challenge, over 115,000 failure to pay rent lawsuits were filed in Maryland from July to November. Without stable shelter, families are more susceptible to adverse childhood experiences (ACEs), hunger, behavioral health crises, and poor health - including increased risk of contracting COVID. This past year in our head start programs our caseworkers have talked to hundreds of parents that have told us they are at risk of eviction and looking for assistance. The pandemic has demonstrated the gaping holes in our safety net programs, especially for people of color. Evictions and homelessness have a disparate impact on black and brown communities. Reducing quick and cheap evictions by raising the filing fee improves the socioeconomic outlook of low-income families, and is a tangible step in the effort to dismantle the inequities born of structural racism and oppression in our legal and social safety net systems.

Changing our eviction process is sound fiscal policy. Evictions further entrench families into homelessness, poverty, and adverse childhood experiences, which are extraordinarily expensive to address. Maryland should be working to prevent loss of housing, especially among households with children. Safe and reliable housing provides the stability needed to secure and maintain employment, promote good health, invest in educational opportunities and ultimately saves the state resources that otherwise go to maintain shelters and state-funded safety net programs. We know our individuals and families thrive in economically secure households with stable housing, and thriving families means a thriving economy.

On behalf of the individuals and families we work with, Catholic Charities of Baltimore appreciates your consideration, and urges the committee to issue a favorable report for SB 530.

Submitted By: Lisa Klingenmaier, Assistant Director of Advocacy

¹ Stout, Risius, Ross. LLC, Estimation of Households Experiencing Rental Shortfall and Potentially Facing Eviction, <http://bit.ly/stoutevictiondata>.

MD Catholic Conference _FAV_SB0530.pdf

Uploaded by: Kraska, MJ

Position: FAV



ARCHDIOCESE OF BALTIMORE † ARCHDIOCESE OF WASHINGTON † DIOCESE OF WILMINGTON

February 26, 2021

SB 530

Landlord and Tenant - Eviction Actions - Filing Surcharge and Prohibited Lease Provisions

Senate Judicial Proceedings Committee

Position: Support

The Maryland Catholic Conference (“Conference”) represents the public-policy interests of the three Roman Catholic (arch) dioceses serving Maryland: the Archdiocese of Baltimore, the Archdiocese of Washington, and the Diocese of Wilmington.

Senate Bill 530 would increase, from not more than \$18 to not less than \$120, the surcharge that the District Court is required to assess per civil case for summary ejectment, tenant holding over, and breach of lease that seeks a judgment for possession of residential property against a residential tenant; requiring the District Court to assess the surcharge against a landlord and prohibiting the court from awarding or assigning the surcharge against a residential tenant

As a result of the COVID-19 pandemic, an estimated 109-204,000 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% 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. Maryland needs a fairer “Failure to Pay Rent” eviction process, one that focuses on housing stability instead of housing loss.

Recently several bishop chairmen of the U.S. Conference of Catholic Bishops (USCCB) wrote to all members of Congress addressing housing needs during the COVID-19 pandemic stating *“Ensuring stable housing is essential, especially during a public health crisis. Emergency rental assistance that meets today’s historic need is crucial in order to avoid evictions for tens of millions of people...to keep people safely housed until they are able to access these services, it is necessary to strengthen and extend eviction and foreclosure moratoriums and establish a national utility shutoff moratorium.”*

For this reason the Conference appreciates your consideration and urges a favorable report for Senate Bill 530.

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).

Testimony SB530.pdf

Uploaded by: Legal Aid, Maryland

Position: FAV



**MARYLAND
LEGAL AID**

Advancing
**Human Rights and
Justice for All**

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01.2021



February 24, 2021

The Honorable William C. Smith, Jr.
Judicial Proceedings Committee
2 East Miller Senate Office Building
Annapolis, MD 21401

RE: Testimony of Maryland Legal Aid in Support of Senate Bill 530 - Eviction
Actions- Filing Surcharge and Prohibited Lease Provisions

Dear Chair Smith and Members of Committee:

Maryland Legal Aid (MLA) is a non-profit law firm that provides free legal services to the State's low-income and vulnerable residents, including abused and neglected children, nursing home residents, and veterans. With 12 office locations that serve residents in each of Maryland's 24 jurisdictions, MLA handles civil legal cases involving a wide range of issues, including family law, housing, public benefits, consumer law (e.g., bankruptcy and debt collection), and criminal record expungements to remove barriers to obtaining child custody, housing, a driver's license, and employment.

In response to the COVID-19 pandemic, the Office the Attorney General formed an Access to Justice Task Force. That Task Force evaluated the impacts of the crisis and offered suggestions to allow for and strengthen the recovery of Maryland and its residents from the devastating impacts of the health crisis. The change proposed by Senate Bill 530 for increasing the filing fees for eviction actions in District Court to a level consistent with the rest of the nation was one recommendation. This letter serves as notice that Gregory Countess will be testifying in support of Senate Bill 530 on behalf of MLA at Senator Shelly Hettleman's request.

While representing tenants throughout the state of Maryland, MLA frequently sees tenants facing monthly failure to pay rent complaints filed by their landlords in the District Court. Filing a monthly complaint if they allege any portion of rent for the month is late is easy for landlords and property managers, because the cost is so low. In many cases, those filings do not end in eviction, or even a judgment for the rent they claim is unpaid. While filings for ending

tenancies for breaches of lease or reclaiming the property after the end of a lease are not repeatedly filed by landlords, they are easily filed by landlords as well. With such a low cost court process, there is no incentive to negotiate a payment plan or other resolution between landlords and tenants. Utilizing the court process and resources to displace a family from their home should be the last resort. This imperative has become devastatingly obvious during the COVID-19 crisis. The speedy displacement of a family's housing has always been troubling, but in the current health crisis it is life threatening.

MLA has represented tenants with inconsistent income, so they are forced to either make partial payments or fall behind on their rent obligation for a month. When a landlord files a complaint each month, as soon as the rent is late, tenants fear losing their housing, miss work to attend court hearings, and are forced to wade through complicated ledgers to make sure their payments have been applied accurately. Even when tenants make efforts to work with landlords to ensure the amount due is accurate and seek rental assistance, they must also respond and appear at court dates on short notice, because the landlords continue to file new complaints about the rent.

MLA's responsibility is to serve indigent Marylanders' legal needs by advancing Human Rights and Justice for All. This includes the right to safe and habitable housing and the equal protection of the law as enshrined in Articles 14 and 26 of the International Covenant on Civil and Political Rights. Making the landlord-tenant case process equivalent to other civil litigation would also protect the human right to safe and secure housing as outlined in the International Covenant on Economic, Social, and Cultural Right. Universal Declaration of Human Rights declares that "[e]veryone has the right to a standard of living adequate for the health and wellbeing of himself and of his family, including...housing..." The Committee on Economic, Social, and Cultural Rights, the body that monitors the International Covenant on Economic, Social and Cultural Rights (ICESCR), observed that this right requires that "all persons should possess a degree of security of tenure which guarantees legal protection against forced eviction, harassment and other threats." Furthermore, the International Covenant on Civil and Political Rights (ratified by the US in 1993), affirms that "[n]o one shall be subjected to arbitrary or unlawful interference with his [or her]... home." By raising the cost on Landlords in filing these complaints and funding legal service organizations in order to safeguard tenant rights, this bill moves Maryland along the path toward securing housing as a human right in Maryland.

Additionally, SB 530 protects tenants from facing housing instability by prohibiting landlords from passing the cost of filing complaints in the District Court along to the tenants. In the current process, unlike any other litigants, landlords only have to pay a minimal fee to get into court and then charge that cost to the tenant whether they are successful or not. The passing on of the cost to the other side regardless of outcome is not able to happen in any other civil litigation. Landlords regularly assess those costs against tenants, but SB 530 would expressly prohibit that practice in Maryland by changing both the money judgment the court can award and prohibiting a lease term which would allow a landlord include the cost in a tenant's account.

SB 530 further improves and supports the rights of tenants to stable housing, because it provides that a portion of the increase in the fee would be used to level the playing field for

tenants by supporting adequate access to legal services assistance throughout the state. The COVID-19 health crisis has further exposed the disparities in our society and the barriers that exist which prevent all Marylanders from full access to justice. Robust funding of civil legal services will expand the access to justice for all in Maryland.

Thank you for your consideration of this written testimony. For the reasons stated above, Maryland Legal Aid urges a favorable report on Senate Bill 530.

/s/ Gregory Countess

Gregory Countess, Esq.

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SB530_testimony_evictionlab.pdf

Uploaded by: Leung, Lillian

Position: FAV

Statement in support of Senate Bill 530 Landlord and Tenant - Eviction Actions - Filing Surcharge and Prohibited Lease Provisions

February 24, 2021

Lillian Leung, Doctoral Student in Sociology, Princeton University

Peter Hepburn, Assistant Professor of Sociology, Rutgers University-Newark

Matthew Desmond, Maurice P. Daring Professor of Sociology, Princeton University

America is in the midst of an affordable housing and eviction crisis. Today, most Americans are burdened by the high cost of housing. According to American Community Survey data for 2019, nearly half (46.3%) of renting households nationwide are housing cost burdened, spending more than 30% of their monthly income on housing, and nearly a quarter of renters (23.9%) spend over half their income on housing.¹ Housing cost burden is highest for renters of color and low-income households. Housing cost burden in Maryland is slightly above the national average: 49.9% of renting households are classified as housing cost burdened and 24.5% are severely burdened.²

Increasing housing cost burden places a growing number at risk of eviction. Princeton University's Eviction Lab estimates that 3.7 million eviction cases were filed nationwide in 2016. That amounts to an eviction filing rate of 9.6%: 9.6 evictions filed for every 100 renting households.³ We have collected data that suggest dramatically higher eviction filing rates in Maryland—as high as 92.5% in 2019 (see Appendix A).

At first glance, these numbers appear impossible: how can so high a share of Marylanders be on the verge of displacement in a given year? Simply put, eviction cases are not always a means of removing tenants. Rather, they are often a tool for property management and rent collection.

In our research, we have analyzed serial eviction filings.⁴ Serial eviction filings take place when landlords and property managers repeatedly file evictions against the same household, at the same address, across multiple months and even years. Analyzing court records from across the country, we found that nearly one-third of households facing eviction in 2014 were filed against repeatedly

¹ Joint Center for Housing Studies at Harvard University. “The State of the Nation’s Housing 2020.” Harvard University, 2020.

² Author’s calculations based on 2019 one-year American Community Survey Data for Maryland. Underlying data are available at:

<https://data.census.gov/cedsci/table?t=Renter%20Costs&g=0400000US24&y=2019&tid=ACSDT1Y2019.B25070&hidePreview=true>

³ Ashley Gromis, et al., “Estimating the National Prevalence of Eviction Using Millions of Public Court Records,” Working Paper: Princeton University, Eviction Lab, 2020.

⁴ Lillian Leung, Peter Hepburn, and Matthew Desmond, “Serial Eviction Filing: Civil Courts, Property Management, and the Threat of Displacement,” *Social Forces* (2020): 1-29.

at the same address. Interviews with 33 landlords and property managers led us to conclude that serial eviction filings were often used as a tool to facilitate rent collection—the threat of displacement a powerful inducement to pay rent. But such practices were only plausible where eviction filing fees were low and regulatory barriers minimal.

Serial eviction filing rates varied considerably across the country. In Indiana, Illinois, and Florida, less than one in every ten cases was a repeat filing. By contrast, almost half of eviction cases filed in 2014 were part of a serial eviction case in Delaware, South Carolina, and Virginia. Our research shows that states that make eviction cheaper and quicker had significantly higher rates of serial eviction filings. In these states, eviction courts function as the court of first, not last resort.

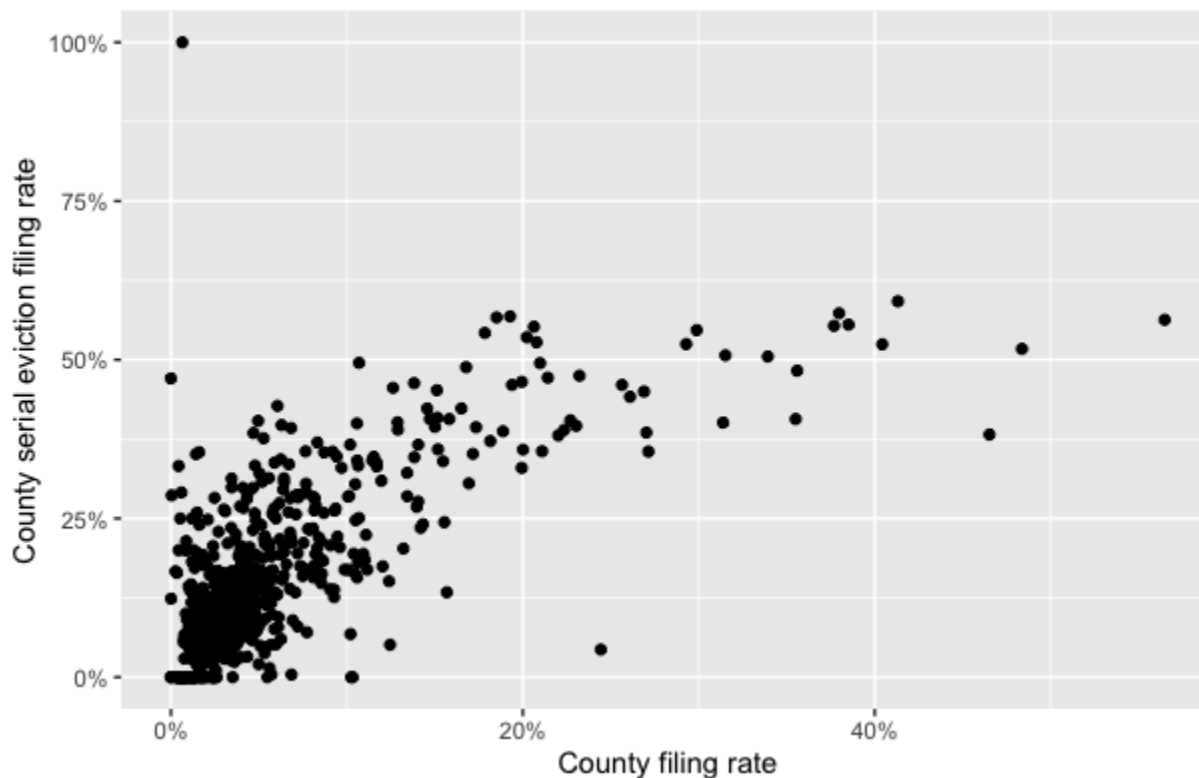
To put this in context of SB 530, the current filing fee for Failure to Pay Rent cases in Maryland is \$15 (except Baltimore City, where it costs \$25). This is among the lowest in the country. The average filing fee nationwide is \$112, with Minnesota having the highest average filing fee (\$295.5).⁵ Only Washington, D.C. has an eviction filing fee as low as Maryland's. In response to its high caseload of eviction filings, the D.C. Superior Court is currently considering raising its initial eviction filing fees from \$15 to \$100.⁶

Due to the unavailability of case-level eviction filing data in the state, we cannot estimate serial eviction filing rates in Maryland. We provide statistics from nearby and similar states in Appendix B. We conducted new analyses exploring the association between eviction filing rates and *serial* eviction filing rates. These analyses demonstrate that states with higher overall filing rates tend to also have higher serial eviction filing rates as well (see Plot 1).

⁵ Figures are based on 2018 filing fee information collected by the Eviction. Filing fees might vary across counties within the same state; figures cited are state average.

⁶ The Superior Court of the District of Columbia. "Request for Public Comment on the Initial Filing Fee for Landlord-Tenant Action." 2/19/2021. <https://www.dcbcr.org/getmedia/57613326-553d-4918-b4b1-edcaebcb659e/Notice-and-Request-for-Comment-on-Initial-Filing-Fee-for-Landlord-Tenant-Action>

Plot 1. County-level serial eviction filing rate by overall eviction filing rate.



Note: Estimates are based on data from Leung et al. (2020). All estimates pertain to rates for 2014. No serial eviction filing data are available for Maryland.

There is considerable evidence to suggest that serial eviction filings are a common occurrence in Maryland. As noted above, the state’s overall eviction filing rate—which we can calculate given aggregate statistics described in Appendix A—is extraordinarily high. In 2019, 675,625 landlord-tenant cases were processed, translating to approximately 92.54 cases per 100 renting households.⁷ In the most extreme cases, we see a filing rate of 177.0% in Baltimore County, 131.5% in Prince George’s County, and 106.5% in Baltimore City in 2019. These rates of over 100% suggest many of these filings were likely part of serial eviction cases. Extrapolating the general pattern observed in Plot 1 to the eviction rates in Maryland, it seems more likely than not that a considerable share of all eviction filing in the state are serial eviction filings.

Serial eviction filings result in serious consequences on tenants, even those who never receive an eviction judgment. Having multiple eviction filings tarnishes tenants’ rental histories and creates barriers to finding housing in the future. In our interviews with property managers, many noted that they rejected applicants with negative rental history, even those that did not culminate in an

⁷ Monthly statistic reports were summed to obtain figures for 2019:
<https://mdcourts.gov/sites/default/files/import/district/statistics/2019/Calendar19.pdf>

eviction judgment. This pattern has also been documented by a number of journalists studying the tenant screening industry.⁸

Serial eviction filings also increase housing costs for households that are already struggling to pay rent. Landlords and property managers that we interviewed noted that they typically pass court costs, including filing and attorney fees, to tenants. We estimated that, across the country, each eviction filing translates into approximately \$180 in fines and fees for the typical renter household that pays to stay in their unit, raising their monthly housing cost by 20%. This bill's provisions ensuring that landlords and property managers do not pass on these costs should help to reduce the financial burdens of tenants who are already at risk of eviction.

Increasing the filing fee for eviction cases should serve to reduce undue and frivolous eviction filings, limit serial eviction filings, and lower administrative stress and burden on the court system. Trying to put current caseloads in context, we estimate that each district court in Maryland must handle an average of almost 400 cases *weekly*.⁹ Some, however, process far more than that. A 2015 report by the Public Justice Center and the Right to Housing Alliance estimates the “rent court” in Baltimore City, which has one of the state’s highest eviction filing rates, processes roughly 1,000 cases per day. The report describes “overwhelmed dockets” and rapid processes that undermine the court’s fairness.¹⁰

Our research indicates that SB 530 (Landlord and Tenant - Eviction Actions - Filing Surcharge and Prohibited Lease Provisions) would likely result in preventing unnecessary, serial eviction filings by raising the filing fee residential landlords are required to pay to initiate eviction proceedings against a tenant, bringing that fee much more in line with other states.

⁸ Megan Kimble, “The Blacklist,” *The Texas Observer*, 12/9/2020; Lauren Kirchner, “Data Brokers May Report COVID-19–Related Evictions for Years,” *The Markup*, 8/4/2020; Kyle Swenson, “The stimulus relieved short-term pain, but eviction’s impact is a long haul,” *The Washington Post*, 2/8/2021.

⁹ We produced a back-of-the-envelope calculation by dividing the total number of filings in Maryland in 2019 by 52 weeks and by the 33 district court locations in Maryland.

¹⁰ The Public Justice Center, the Right to Housing Alliance, Dan Pasciuti, and Michele Cotton. 2015. “Justice Diverted: How Renters Are Processed in the Baltimore City Rent Court.”

http://www.publicjustice.org/wp-content/uploads/2019/09/JUSTICE_DIVERTED_PJC_DEC15.pdf

Appendix A

We have calculated state-level eviction filing rates using court statistics retrieved from Maryland's annual court reports. Data for 2000 to 2016 are drawn from Maryland Judiciary's annual Statistical Abstracts.¹¹ Data for 2017 through 2019 are sourced from monthly statistical reports on the Maryland Courts' website.¹² National filing rates are drawn from the Eviction Lab's website and are available only between 2000 and 2016.¹³

The filing rate is calculated by dividing the number of landlord-tenant cases filed that year by the number of renting households, drawn from the U.S. Census Bureau's American Community Survey. The rates below do not account for serial eviction filings.

State-level eviction filing rates in Maryland, 2000-2019

Year	Maryland Filing Rate (%)	National Filing Rate (%)
2000	82.27	6.00
2001	77.25	6.38
2002	81.14	6.96
2003	80.51	7.04
2004	79.22	7.07
2005	79.33	7.22
2006	81.62	7.49
2007	86.38	6.42
2008	88.87	6.50
2009	87.05	6.44
2010	91.25	7.05
2011	86.43	7.22
2012	88.39	6.98
2013	87.08	6.73

¹¹ <https://mdcourts.gov/publications/annualreports>

¹² <https://mdcourts.gov/district/about#stats>

¹³ <https://evictionlab.org/>

2014	83.75	6.60
2015	83.33	6.27
2016	83.65	6.12
2017	89.44	NA
2018	90.28	NA
2019	92.54	NA

Appendix B

State	Average Filing Fee (2018) (\$)	State Serial Eviction Filing Rate (%)
Delaware	40	56.3
North Carolina	126	41.3
South Carolina	40	46.7
Virginia	44.5	50.7
West Virginia	50	10

SB 530 Filing Fee Surcharge.pdf

Uploaded by: Ortega, Chelsea

Position: FAV



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February 24, 2021

Senate Bill 530

Landlord and Tenant – Eviction Actions – Filing Surcharge and Prohibited Lease Provisions

Before the Senate Judiciary Proceedings Committee, Feb. 26, 2021

Position: FAVORABLE

I write in support of SB 530. I am a Maryland attorney and our law firm regularly represents tenants who are being threatened with eviction or have been evicted. Maryland needs a fairer “Failure to Pay Rent” (“FTPR”) eviction process, one that focuses on housing stability instead of housing loss. I urge the Committee’s favorable report on this bill.

When a landlord deems a tenant late on their rent, which occurs on or about the sixth of the month in almost every Maryland county, the landlord charges the tenant a 5% late fee of the rent (typically an average of \$50 or more), court costs of around \$20 to \$30 (before any court has awarded costs) and an agent fee (around \$10). Even though the legislature intended for the 5% late fee to cover a landlord’s administrative costs when the rent is late, such as for filing for eviction, landlords use this as a pure profit item and charge additional costs on top of the late fee. Our firm has seen the profit and loss statements from one property management company, and the late fee was listed as “income.”

In addition, because a standard lease in Maryland deems *all charges* to the landlord as “rent,” including late fees, court costs, and agent fees, we have seen tenants who were told they were “late” on their rent when they paid their rent on time and all they owed were late fees or court costs. This fee-churning scheme is an industry standard in Maryland for large property management companies. These large property management purposely position themselves in low-income areas, where they can make the most profit. These same companies then reinvest as little profit as possible into maintaining the property, resulting in deplorable conditions for people who are least likely to complain or have the resources to challenge a well-heeled company.

Maryland can no longer let landlords use rent court as a debt collection mill. The State is subsidizing the landlord’s special debt collection process by charging one of the lowest filing fees in the country.

Every time a landlord files a FTPR complaint against a tenant, that tenant’s rental history is being damaged. We have seen documentation from rent court agents indicating that 65 to 75% of FTPR complaints are dismissed prior to any trial, meaning the tenant pays within a few days or

weeks of the complaint being filed. Even if the FTPR complaint is dismissed, however, the damage has already been done to the tenant's rental history, making it more difficult for the tenant to rent in the future, or may result in a higher security deposit at a future rental.

The astronomical number of failure to pay rent filings in Maryland is a drain on judicial resources and hurts the economy. Tenants often have to take off work to attend court, pay for childcare, and transportation costs. This is money that could have been used to pay the rent, for groceries, or to pay utility bills.

As Maryland prepares for a massive wave of evictions, the reduction in eviction filings that will result from SB 530 is needed more than ever. I urge this committee to give SB 530 a favorable report.

Very truly yours,



Chelsea Ortega

Anne Arundel County _FAV_SB 530.pdf

Uploaded by: Pittman, Steuart

Position: FAV



February 26, 2021

Senate Bill 530

Landlord and Tenant - Eviction Actions - Filing Surcharge and Prohibited Lease Provisions

Senate Judicial Proceedings Committee

Position: FAVORABLE

Anne Arundel County **SUPPORTS** Senate Bill 530 - Landlord and Tenant - Eviction Actions - Filing Surcharge and Prohibited Lease Provisions. This Bill would increase the filing surcharge for filing a civil case for summary ejection in District Court and prohibit a court from imposing or assessing the surcharge against a tenant.

Maryland has by far one of the lowest filing fees for eviction cases of any state in the country. It consequently is an outlier in having one of the highest filing rates. While many states impose surcharge fees in excess of \$300 and the nationwide average is \$122, filing an eviction case in Maryland costs a landlord just \$15. As a result, Maryland's eviction rate is in excess of 80%. Some Maryland jurisdictions have rates exceeding 100%, meaning that there are more eviction cases filed than there are rental housing units, and that some renters are having multiple cases filed against them. This is a stark contrast to our neighboring jurisdictions with significantly lower rates; Pennsylvania has a rate of 5.3% and Delaware's is 16.9%. Rates in New Jersey, the District of Columbia, and Virginia range from 12.5% to 15.7%.

This process is unfair and burdensome on renters, and has only been exacerbated by the effects of the COVID-19 pandemic and its impact on low-paid workers. Shelter is one of the most essential needs of our residents and a structure that allows landlords to easily file eviction cases as part of the routine rent collection process, rather than take other steps to address late rent or repairs, unnecessarily imperils that. Landlords frequently pass the filing charges on to tenants. Combined with other fines and fees, this results in an average of \$180, which is 20% of housing costs for the average rental household. In addition to bringing Maryland's filing fees in line with the national average, this Bill would also prohibit landlords from passing those costs on to tenants.

For all of these reasons, I respectfully request a **FAVORABLE** report on Senate Bill 530.

A handwritten signature in blue ink that reads "Stuart Pittman".

Stuart Pittman
County Executive

Filing Fee Maryland 2-21 - senate.pdf

Uploaded by: Rosen, Eva

Position: FAV

SB-530 Testimony on Filing Surcharge and Prohibited Lease Violations - Favorable
February 24, 2021

My name is Eva Rosen, I am an assistant professor at Georgetown in the McCourt School of Public Policy. Thank you for the opportunity to testify today. I am writing to express my support for SB-530 (cross filed with HB-729) which would raise the fee to file for eviction in Maryland.

In this testimony I draw on over a decade of experience conducting policy relevant academic research on housing in Maryland, the District of Columbia, and nationally. Broadly, my work focuses on how supply side actors (landlords and developers) respond to state federal, state, and local housing policies with important consequences for low-income families.

I have recently completed an analysis of all eviction records over the past 5 years in the District of Columbia. In this [report](#), we document the fees charged to file for eviction in the 50 largest cities in the U.S. Across these areas, the median filing fee is above \$100, well above the current fees charged in Maryland, which are among the lowest in the country. Importantly, we document that jurisdictions with *lower* filing fees tend to have much *higher* filings rates. Based on this research, the DC City Council has recommended that the Superior Court raise the filing fee to \$100, which is now under consideration.

This association is further substantiated by my qualitative interviews and fieldwork with over 150 landlords and property managers in four cities, including both Baltimore and Washington, DC. In places where fees are low, as they are in Maryland, it is cheap and easy for landlords to file on tenants as soon as they are legally allowed to do so, knowing full well that most filings will not result in an eviction. Landlords in my research study report doing exactly this. They explain that they do not expect, nor hope, to actually evict the tenant, given how costly eviction is for the property owners. This phenomenon, called “serial filing,” where a landlord files for eviction on the same tenant, in the same unit, multiple times per year, accounts for a substantial chunk of all filings. They are made *not* with the intent to evict – since again, the vast majority of filings do not result in eviction – but with the intent to intimidate the tenant, change the power dynamic, and leverage a threat to get them to pay.

Raising the filing fee in order to deter landlords from using the court system in this way is important for several reasons. Filings result in a legal record that makes it harder for tenants to find housing in the future. The landlords in my research say that a history of a filing – even when it does not result in an eviction – is one of the single biggest reasons they take prospective tenants out of the running. Indeed, substantial research shows that publicly available eviction records follow tenants and have a negative impact on their future housing opportunities. A family who misses one rental payment by a few days can struggle to find housing for years to come. In addition, families report that in some cases a filing may be enough for them to leave preemptively, either as a result of fear, threats, or pressure from the landlord.

Some have raised the question of whether increased filing fees would be passed on to tenants. This legislation includes a key clause, expressly prohibiting passing on such fees to tenants, or using any lease language that would stipulate for tenants to be responsible for such fees. With this clause in place, it is my view that raising the filing fee would reduce the amount of frivolous filing on such a large scale that far more tenants would avoid filing records altogether—and thus, future difficulties finding housing—than would face additional fees.

Others have wondered whether the high volume of filings in Maryland is due to its generous right to redemption rather than its low filing fee—in my view this is unlikely to be the case. In the cities I have studied where filings rates are higher, landlords have systematically reported to me that this fee acts as a deterrent. We can also look to the District of Columbia as a comparison case: DC has an even *more* generous right to redemption but has a *lower* filing rate (though still quite high).

Based on this body of research, I support the proposal to raise the filing fee, which I believe will lower the number of filings that would likely never have resulted in an eviction, and that serve to do little more than harm tenants and their housing stability. Thank you for the opportunity to testify today.



Eva Rosen, Ph.D.

Georgetown University McCourt School of Public Policy

Eva.rosen@georgetown.edu

SB 530 - MoCo (GA 21).pdf

Uploaded by: Samman, Amy

Position: FAV



Montgomery County

Office of Intergovernmental Relations

ROCKVILLE: 240-777-6550

ANNAPOLIS: 240-777-8270

SB 530

DATE: February 24, 2021

SPONSOR: The President (By Request – Office of the Attorney General) and Senators Smith, *et al.*

ASSIGNED TO: Judicial Proceedings

CONTACT PERSON: Amy Samman (amy.samman@montgomerycountymd.gov)

POSITION: Support

Landlord and Tenant – Eviction Actions – Filing Surcharge and Prohibited Lease Provisions

Senate Bill 530 raises the surcharge for filing summary ejectment, tenant holding over, and breach of lease actions against a residential tenant to no less than \$120 in Maryland. Under current law, the surcharge for summary ejectment is \$15. For tenant holding over and breach of lease actions, the current surcharge is \$46. Senate Bill 530 also requires that the surcharge be assessed against the landlord and prohibits the District Court from awarding or assigning it as a fee or cost against the residential tenant. In addition, Senate Bill 530 prohibits a landlord from including a lease provision that would require the tenant to pay the filing surcharge. The money from the surcharge is deposited into the Maryland Legal Services Corporation Fund, which is used to finance civil legal services for indigent clients.

Montgomery County supports Senate Bill 530. This bill aligns with the County's priority to support eviction mitigation. The increased surcharge could incentivize landlords to work with tenants on repayment rather than immediately filing for a complaint in District Court. It also has the potential to decrease the number of evictions and reduce tenant debt.

For the foregoing reasons Montgomery County supports Senate Bill 530 and respectfully requests a favorable Committee report.

Allcock Objection to SB530-HB0729.pdf

Uploaded by: Allcock, Stephen

Position: UNF

Steve Allcock
KH Rental Properties LLC
PO Box 344
MD 21014
410-925-6731
24th February 2021
steveallcock@comcast.net

SB530

Dear

Chairman William C. Smith and Members of the Senate Judicial Proceedings Committee

My name is Steve Allcock and my wife (Susan), and I run a small family rental property business in the state of Maryland based in Harford County. The business has 14 properties in locations across Baltimore City and Harford County.

We provide homes to both private and government assisted (section 8 etc) tenants. We have been running this business for 10 years now and feel we have experiences to draw on that should help influence your decision on this bill.

As a landlord it is absolutely in our best interests to do the following

- Provide a safe home that meets all regulatory requirements
- Ensure the home is attractive to our tenants and meets their expectations
- Choose (as best we can) the right tenant – this however is not infallible
- Ensure that the community is not disadvantaged by the placement of said tenant in that house
- Continue to invest in our properties to ensure they are what people want to rent
- Pay our taxes and remain in good standing with the law

Steve Allcock
KH Rental Properties LLC
PO Box 344
MD 21014
410-925-6731
24th February 2021

Despite our best efforts when doing the above you don't always get it right and can choose a person or family that fail to meet their contractual obligations such as the following

- They don't pay the rent – some examples below
 - Sickness
 - Pandemic related
 - General health issues
 - Loss of income
 - Change in employment circumstance
 - Change in partner income
 - Choose to spend the money on something else
 - New TV
 - Car
 - etc
- They may damage the property in some way
- They are just bad (noisy/intrusive/litter etc) neighbours that affect the community and consequently the company as our reputation is important to us as good community citizens
- Sometimes "all of the above" may apply

When this happens remediation and mitigation efforts are needed to ensure that the best outcome is achieved such as temporarily reducing the rent whilst the tenant finds alternative employment or re educating them on what is and is not allowed based on the contract

However this is not always successful and in that circumstance it may be necessary to take legal proceedings against the tenant which may escalate to eviction should a suitable resolution not be found

Myself and my wife avoid this (eviction) where possible as it is a stressful experience that inevitably costs unnecessary expense to the business and it has been the case that in the 10 years of running the business we have evicted people - but only in extreme circumstances such as the examples given above

My concern is that your SB530 will increase the fiscal burden on my business in a time of crisis, as this cost should be met by the person or family causing me to evict them and NOT a cost that the business should be responsible for

Steve Allcock
KH Rental Properties LLC
PO Box 344
MD 21014
410-925-6731
24th February 2021

I have only 14 properties and I pay city tax plus income tax for the houses and the revenue respectively. In this current time of pandemic, I have two of my properties occupied by tenants who have decided they don't need to pay.

This decision from them as my tenants is based in the knowledge that the law is protecting them from the usual failure to pay rent and eviction processes that landlord would normally use as remediation in these circumstances

An outcome of the above is that one of those tenants has not paid a single cent in rent since June 2020 and the other since November 2020

I feel extremely frustrated and let down by this as a taxpayer to the counties and the state, so to see another unfair cost burden that is expected to be met by the landlord is in my opinion very unfair and unnecessary

I therefore ask that this bill does not go forward as it is discriminatory to landlords and looks to me like another tax by stealth as it is also linked to HB0729 which seems to suggest that the funding will be used for more sheriff related activities

If this increase in court filing costs for evictions were to happen then the landlord needs to have the ability to recover these costs from the tenant via security deposit or by the engagement of a debt recovery organisation post eviction

I wonder why this has even become something that has been raised and if the people raising it are themselves landlords as it demonstrates a lack of understanding of the current fiscal burdens placed upon landlords

Thank you

Steve Allcock

SB 530.pdf

Uploaded by: Castelli, William

Position: UNF



Senate Bill 530– Landlord and Tenant – Eviction Actions – Filing Surcharge and Prohibited Lease Provisions

Position: Oppose

Maryland REALTORS® opposes SB 530 significantly increases the filing fee for summary ejectment, breach of lease or tenant holding over actions. Although state law limits such fees to \$18 (similar to other civil actions), these fees are already higher for certain actions in some counties.

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.

The COVID-19 pandemic has caused significant economic challenges for tenants and landlords alike. While much attention has appropriately been focused on tenants, it is also true that the impact on some small landlords has been equally tough. While many landlords work hard to provide safe housing and work with their tenants who are experiencing financial challenges, some smaller landlords have little flexibility. When a nonpaying tenant exists, the landlord may not be able to pay the mortgage or other costs associated with maintenance on a property.

Some of our property managers report to us that their smaller owners are opting out of renting their properties due to the uncertainty of collecting rent combined with a strong sales market that will allow them to recoup some of the equity in their property. The REALTORS® believe the only solution that adequately solves both the tenant and landlord's problems are rental assistance programs that keep tenants in housing and allow landlords to meet their financial obligations. However, the funding for these programs must also be affordable for landlords.

Although the Maryland REALTORS® could support a smaller increase in filing fees if the landlord is still able to recover the filing fee, the REALTORS® recommend an unfavorable report for this significant increase.

**For more information contact bill.castelli@mdrealtor.org,
susan.mitchell@mdrealtor.org, or lisa.may@mdrealtor.org**



CCF_000120.pdf

Uploaded by: DiMaggio, Joseph

Position: UNF

Stonebridge Management LLC

PO Box 42763
Baltimore, MD 21284
410-583-7300

February 16, 2021

Re: SB530

Dear Chairman William C. Smith
and Members of the Senate Judicial Proceedings Committee,

I have been a landlord and property owner in Baltimore City and Baltimore County for the last 36 years. It has always been my belief to treat tenants the way I would want to be treated and consequently have some tenants who have been with me for a long time.

The Covid pandemic has caused many serious problems for both myself and the tenants. Many have been unable to pay because of legitimate reasons. However many are taking advantage of the fact that because the courts are closed or not handling eviction matters, they simply are not paying their rent including their water/sewer bills. All of this is happening with little or no relief for landlords. We have many tenants with balances now approaching \$10,000 and cannot do anything about it.

I am strongly opposed to any increase of eviction filing fees and to any legislation that would prohibit the owner from collecting the eviction filing fee from the tenant.

I simply am not able to endure any fee increase or the inability to recover the fee from my tenants and oppose the passing of SB530.

Sincerely,



Joseph J. DiMaggio

SB530.pdf

Uploaded by: Frederick, Benedict

Position: UNF

February 16, 2021

To: William C. Smith
And members of the Senate Judicial Proceedings Committee
Annapolis, Maryland

REF: Senate Bill 530

I own and manage 50+ apartment units in Baltimore City as well as some commercial properties. As a third-generation real estate broker specializing in the sale of apartment buildings and investment properties in Baltimore City, I work with many real estate investors from all walks of life; some invest in affordable housing, some in middle-market apartment units, while others invest in higher-end properties.

Senate Bill 530 increases the cost of filing a case to recover my property from a person who is residing in my property without paying for it to \$120. This bill would increase the cost of owning and managing a rental unit occupied by a habitual late payer by \$1,440 per year.

A 2018 Johns Hopkins Research paper, commissioned by the U.S. Department of Housing and Urban Development, studied the affordable rental housing industry in Baltimore City and Cleveland OH, finding that one-half of all rentals in Baltimore are in "small properties", typically single family rowhouses and rowhouses with 2 apartments. The investigators found that less than 40% of small owners have a positive cash flow and only 25% of mortgaged properties have a positive cash flow. Of the small and affordable (below the region median rent) rentals, only those without debt service are viable.

Costs are passed onto tenants in one form or another in higher rents. The effect of this legislation would be a combination of (a) more dilapidated housing as landlords spend more on court fees, leaving less money to be spent on property maintenance, (b) higher rental rates and security deposit requirements to cover the increased costs of delinquencies, and (c) fewer affordable housing units as many marginal landlords are driven from the market. Neither of these effects advances the public good.

I urge the committee to vote Senate Bill 530 as "unfavorable".

Sincerely Yours,



Benedict J. Frederick III, CCIM
President

Maryland General Assembly.pdf

Uploaded by: Galasso, Cathy

Position: UNF

February 11, 2021

Dear Luke H. Clippinger and William C. Smith,

My name is Cathy Galasso and I am the managing member of Vanilla Street Properties, LLC. We own 9 rental properties in Baltimore City and Baltimore County. We are proud landlords who provide our tenants with high quality, clean and safe environments.

We are compassionate and work with tenants whenever we can to help them save money or catch up on payments. We try to waive fees whenever we can, however, when a tenant is late with rent and is not communicating with us, we need to file for rent court (before Covid). Currently, we are unable to file and have a few tenants falling behind, not only on their rents but also their water bills. We are working with them. If the tenant would not be responsible for reimbursing for rent court fees, there would be no incentive to pay rent on time or at all. We are not trying to harm the tenants; however, we need rents to be able to maintain the quality of life we pride ourselves in providing to our tenants. It is already difficult to be a landlord in Baltimore, but it would be unrealistic to continue if the fees were increased and if we, as landlords, would be responsible to pay the costs for the tenant's not paying rent. In addition, the current court fees are high and we feel it would be harmful if they increased, no matter who pays them.

We count on the rents from our properties but if HB 478, HB 729, and SB 530 are passed, we will most likely have to sell our properties and invest in a different area that makes it possible for us to afford to continue to provide high quality rentals.

Respectfully,

Cathy Galasso

Managing Member Vanilla Street Properties, LLC

443-756-6094

cathygalasso@hotmail.com

SB 530 Opposition Letter.pdf

Uploaded by: Giusto II, Joe

Position: UNF

Dear William C Smith,

I am a rental property owner with 30 units in the Curtis Bay / Brooklyn area. I have owned rental properties since the late 90s providing affordable housing in low income neighborhoods. We do our best to screen for good paying tenants but often times we get a few that will abuse the system and not pay rent until court proceedings are filed, and sometimes not until the sheriff is about to arrive for the actual eviction. Having a timely court/eviction process in place is our only defense against non paying tenants.

Over the past eleven months, our efforts to collect rent have been hampered by court closures and eviction moratoriums. At the same time, we are still expected to pay mortgages, taxes, utilities, and insurance, as well as keeping up on the maintenance of our properties. We have several tenants that have not paid since the announcement of court closures in March of last year. Not for lack of income, but simply because we cannot get them into court. These are our chronic late payers that we typically have to take to court monthly in order to get our payment.

By increasing the fees for filing and not allowing us to recover fees only deepens our loses, and in the end will only hurt those low income families as we, as landlords, will need to tighten down on eligibility requirements to get into our rentals, higher security deposit fees, and increased rents to make up for the loses we would have to take when we inevitably have to file on the ones who refuse to pay once gaining possession of the home.

Sincerely,

Joe Giusto II

Juicenet Investments, LLC

joe.giusto2@gmail.com

443-219-7830

Dear Chairman Smith Senate.pdf

Uploaded by: Kane, Thomas

Position: UNF

February 23, 2021

Dear Chairman Smith, and members of the Senate Judiciary Committee:

My name is Tom Kane, and together with my wife, we are owners of 4 rental properties in Maryland. We have owned and rented property at least 15 other rentals in this state since I finished college in 1984. We have had good tenants and bad ones over those years, but through it all, we have provided good and nice housing to these people. We view this portfolio as part of our retirement income & our legacy for our children (who are all still MD based).

The COVID virus has had a significant impact on our business. We have lost 2 tenants to COVID. One had to return home to take care of an ailing parent who contracted COVID (and left without paying rent). The 2nd lost their job/internship and left in the middle of the night without notice. That 2nd person has the assets to pay us for lost rent and the broken lease (as seen from their application). As of right now, we are out nearly \$9000 in lost rent, yet we still have a mortgage to pay on these homes.

Another tenant is still struggling due to job loss and is 3 months behind in rent. He is a long-term tenant, and we are working with him to make sure that he has a roof over his head. However, we work with him because he makes the effort to work with us. We take care of our tenants.

The proposed fee increases just puts EVEN more burdens on us as small business people. It does nothing to accommodate our needs as hard working, long term, tax paying ACTUAL citizens of this state. Further, the proposed laws to prevent us from recovering the court fees from the tenants is a burden that will just put us under water. The MD legislature needs to start considering the needs of the small business owners as equally as it does all of these other groups.

In closing, please realize that your actions are driving us to completely get rid of the affordable housing we currently provide. The onerous costs of doing business in Baltimore City have caused us to sell most of our City property. If current trends continue (like all of the other veto over rides and new taxes), our next step is to sell all our property and move to Delaware and Florida.

As a lifelong Marylander. Please do not force me to make that decision.

Sincerely,

Thomas J Kane, III

SB 530-AOBA--UNF final.pdf

Uploaded by: Washington, Ryan

Position: UNF



Bill No: SB 530-- Landlord and Tenant - Eviction Actions - Filing Surcharge and Prohibited Lease Provisions

Committee: Judicial Proceedings

Date: 2/26/2021

Position: Oppose

The Apartment and Office Building Association of Metropolitan Washington (AOBA) represents members that own or manage more than 23 million square feet of commercial office space and 133,000 apartment rental units in Montgomery and Prince George's Counties. Many AOBA members manage market-rate affordable rental communities that operate on thin margins and house low and moderate-income Marylanders.

This bill would increase the surcharge for summary ejectment, tenant holding over or breach of lease from \$8 to not less than \$120. The fee will be assessed against the housing provider and may not be awarded or assigned as a fee against the resident. A housing provider may not use a lease that contains a provision that requires a resident to be responsible for payment of a filing surcharge assessed by the Court. The bill specifies that surcharge fees cannot be added to the judgement amount if the Court finds in the housing provider's favor.

AOBA supports efforts to reduce the number of evictions in Maryland but cannot support an exorbitant fee increase that increases the cost to access the Court system by 1400%. In Prince George's County, 156,238 failure to pay rent cases were filed using the court's online filing system in 2019. Had those filings been brought with the proposed \$120 surcharge fee, it would have cost housing providers in excess of \$18,748,560 to access the District Court to exercise their only legal remedy when a resident has failed to pay the rent. This bill will also dramatically increase costs when a housing provider attempts to enforce the legal contract they entered with the resident on occasions when the resident violates that contract in non-financial ways.

Further, the rhetoric around this bill has been misleading and mischaracterizes the actual costs to file for an eviction. It has been said that the \$15 filing fee is one of the lowest in the Country. The statement ignores the total court costs involved in a failure to pay rent case that ranges from \$60 to \$80. This total includes a \$15 or \$25 filing fee, a

\$5 surcharge for each tenant of record, and a \$40 or \$50 warrant of restitution. These total costs align with most of our border states where the total cost to evict is \$71-\$81 in Virginia and \$45 in Delaware. According to TransUnion, the national average for court costs is \$50.

The fee increase is not tied to anything. It is an arbitrary amount that seeks to weaponize filing fees to create a new barrier for housing providers accessing the Court. However, as designed by the Maryland General Assembly, the court system and current eviction process is the only remedy available to housing providers seeking to remove residents that have not paid rent or otherwise violate community rules. The current system also allows residents the ability to redeem up to three times per year – four in Baltimore City. In fact, the right to redeem contributes to the high number of eviction filings as many of the filings are levied against the same group of residents who consistently owe outstanding rent.

Additionally, we have no evidence of any other state that prohibits the filing fee from being passed on to the resident by the housing provider or the court. This would be an unprecedented tax on housing providers' access to the court system. It has been said that an increased filing fee and the inability for a housing provider to pass those costs through to a resident will deter filings or change filing practices so housing providers wait longer to file for a failure to pay rent eviction. Unfortunately, that would ultimately increase the number of physical evictions as residents would be forced to pay a much larger, possibly prohibitive, outstanding rent balance to utilize their right of redemption. Thus, the prohibition on passing the filing fee to the tenant (1) is a tax on housing providers' access unique to Maryland; (2) could be construed as a taking not imposed on any other litigant in the State; and (3) if it does modify housing provider behavior, could have the unintended consequence of increasing actual evictions as residents cannot redeem.

However, housing providers do not take lightly the impact an eviction has on a household. During the COVID-19 pandemic they have reached out to cost-burdened residents to create payment plans—often accepting small amounts to help keep impacted residents safely housed. AOBA and its members have called out for rental assistance and when allowed applied for rental assistance on behalf of and in conjunction with residents. AOBA supports other legislation before the Committee that would increase filing fees and partially fund rental assistance because we know the best way to keep people housed is to provide robust and ongoing rental assistance programs. The industry would welcome working collaboratively to develop, balanced and innovative approaches to help underserved and disenfranchised communities. Yet this bill is neither balanced, nor does it truly help community members. It is merely punitive towards the rental housing industry which provides some of the most affordable housing in Maryland.

For these reasons AOBA requests and unfavorable report on SB 530.

For further information contact Erin Bradley, AOBA Vice President of Government Affairs, at 301-904-0814 or ebradley@aoba-metro.org .

MMHA - SB 530 - Unfavorable.pdf

Uploaded by: Wiggins, Grason

Position: UNF



Senate Bill 530

Committee: Judicial Proceedings
Date: February 26, 2021
Position: Unfavorable

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 530 increases the surcharge amount for failure to pay rent, tenant holding over, and breach of lease cases from \$8 to at least \$120. Moreover, the bill requires that the fee be assessed against a landlord and prohibits the District Court from assigning or awarding the fee or cost against a residential tenant. None of Maryland's contiguous states prohibit a court from assessing a filing fee against a tenant in eviction cases, and MMHA is unaware of any other state that prohibits this action.

By raising filing fees and barring landlords from collecting fees from tenants who have not paid their rent, Senate Bill 530 ensures that rent prices will be increased on *all* tenants. Pursuant to Maryland law, landlords' are provided with one option when a tenant fails to pay rent – file for eviction. When the price of eviction cannot be passed on to the tenants that have failed to pay their rent or broken their lease, the price is passed on through rent increases levied against tenants that have paid their rent and abided their lease.

Senate Bill 530 is nothing less than a tax targeted at housing providers designed to restrict and chill the industry's access to courts. To justify this unprecedented tax, the Attorney General has pointed to the number of eviction filings in Maryland compared to our contiguous states, but the Attorney General has failed to understand the true cause for Maryland's higher number of filings – the *right to redeem*.

The *right to redeem* allows a tenant to pay unpaid rent and stay in the property at *any time* prior to the actual eviction taking place. In Maryland, tenants may exercise their right to redeem up to 3 times per calendar year – 4 in Baltimore City. In Maryland's contiguous states, tenants may only exercise their right to redeem once per tenancy. Thus, Maryland's eviction filings are higher than contiguous states, but the vast majority of filings do not result in actual evictions.

Senate Bill 530 solely precludes collection of surcharge fees for eviction cases. Instead of precluding landlords from collecting filing fees from tenants who have failed to pay their rent, the state should be focused on ensuring that rental assistance money is quickly and appropriately distributed.

For the aforementioned reasons, MMHA respectfully requests an unfavorable report on Senate Bill 530.

Grason Wiggins, MMHA Senior Manager of Government Affairs, 912.687.5745

Letter_landlord_Against-SB530.pdf

Uploaded by: zheng, lucy

Position: UNF

Strongly Against SB 530

I'm a landlord/ property manager for 10 properties. I've been working very hard to keep the tenant in the rentals, by reducing rent for people who lost jobs. I still have all the bills to pay, including taxes, insurance, utilities, repairs, rental licenses, inspections, and mortgages. **I have already lost substantial income during this pandemic. In return, I expect the city/ state/ legislators to shoulder its responsibilities as well.**

I'm very much against the surcharge fee. This will only make the already difficult situation even worse. Instead, the government should improve it's efficiency. For example, I've submitted written request to put my tenants' name on Baltimore City water bill back in September 2020. This way tenants can request for certain discount due to senior citizen status or income loss. After five (5) months this has still not been completed! What kind of efficiency is this? There are other examples like this. **Please improve the government efficiency first instead of adding more fees to landlord.**

I'm also very much against the prohibition of landlord collecting the filing fee from a tenant. Even though in reality the landlord won't be able to actually collect this kind of fees because tenant is already behind, I'm still very much against this proposal because it's **demoralizing. It's a matter of principle!**