

Legislative Testimony 130.pdf

Uploaded by: Elliott, Richard DeShay

Position: FAV

Legislative Testimony:
SB130

I support Senator Ellis Senate Bill 130 to limit fees for non-payment of rent during emergencies. COVID-19 and the recession have severely limited the ability of families to keep up on rent and further fines only worsen the situation.

**RICHARD
ELLIOTT**
FOR MARYLAND

By Authority: Rich Elliott For Maryland Keanu Smith-Brown, Campaign Chair Christian Hillian, Treasurer

TESTIMONY FOR SB0130 Landlord and Tenant - Failure

Uploaded by: Plante, Cecilia

Position: FAV



**TESTIMONY FOR SB0130
LANDLORD AND TENANT – FAILURE TO PAY RENT – FEE LIMIT DURING
EMERGENCIES**

Bill Sponsor: Senator Ellis

Committee: Judicial Proceedings

Organization Submitting: Maryland Legislative Coalition

Person Submitting: Cecilia Plante, co-chair

Position: FAVORABLE

I am submitting this testimony in favor of SB0130 on behalf of the Maryland Legislative Coalition. The Maryland Legislative Coalition is an association of activists - individuals and grassroots groups in every district in the state. We are unpaid citizen lobbyists and our Coalition supports well over 30,000 members.

We believe that passage of this bill will provide an important protection for tenants across the state as so many people struggle financially due to the pandemic. It requires, for the entire duration of a declared state of emergency and for a period of 14 months after the end of the state of emergency, if an impacted tenant fails to make a rent payment but provides written notice to the landlord of his/her status as an impacted tenant, a landlord may not demand a fee or charge for late payment of rent. It defines an impacted tenant as a tenant who has either lost their job, or had their wages decrease by 50% or more.

So many people need this kind of protection during this pandemic.

We support this bill and recommend a **FAVORABLE** report in committee.

SB 130--AOBA--FWA.pdf

Uploaded by: Bradley, Erin

Position: FWA



Bill No: SB 130, Failure to Pay Rent—Fee Limit During Emergencies

Committee: Judicial Proceedings

Date: 1/28/2021

Position: Favorable with Amendments

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.

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

AOBA members support the intent of this legislation and wish to support efforts to protect “impacted tenants”, however there are two specific concerns with the bill as introduced. The bill does not require a nexus between an impacted tenant’s reduction of income and the proclamation under Title 14. As drafted, a resident could experience job loss or significant reduction of income due to their actions, or any cause not related to the public emergency; these residents would still be exempt from late fees. The Association believes that without a direct connection between the loss of income and the emergency, the bill is too broad in scope.

Further, SB 130 prohibits late fees for a period of 9 months after the end of the proclamation. As most residential leases last 12 months, extending the late fee exemption for 9 months after the end of the proclamation is an unnecessary provision that extends too far into the residential lease agreement. AOBA would support extending the prohibition for 3 months after the end of the proclamation.

AOBA would be happy to discuss these issues with the bill sponsor.

For the reasons stated above, AOBA requests a favorable with amendment report on SB 130.

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

SB130 Late Fee Limits Md Legal Aid Testimony FWA.

Uploaded by: Legal Aid, Maryland

Position: FWA



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January 26, 2021

The Honorable William C. Smith, Jr.
Chairman of the Judicial Proceedings Committee
Miller Senate Office Building
Annapolis, Maryland 21401

**RE: Maryland Legal Aid Written Testimony in Support of SB 130 –
Landlord and Tenant – Failure to Pay Rent – Fee Limit During
Emergencies**

Dear Mr. Chairman and Members of Committee:

Thank you for the opportunity to testify in support of this important bill. Maryland Legal Aid (MLA) is a non-profit law firm that provides free legal services to the State's low-income and vulnerable residents. 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 child custody barriers, housing, a driver's license, and employment. Maryland Legal Aid supports SB 130 and asks that this committee give it a favorable report.

This letter serves as notice that Harrison Mont, Esq. will testify in support of Senate Bill 130 on behalf of Maryland Legal Aid at Senator Shelly Hettleman's request. This bill seeks to protect and promote housing stability for Maryland families during the COVID-19 global pandemic and any future events that cause a state of emergency. This bill prohibits charging late fees for rent for tenants impacted by a state of emergency. This law would provide relief for families facing economic hardship and provide them a path for recovery after the emergency period has ended. It would also protect the human right to safe and secure housing as outlined in the International Covenant on Economic, Social, and Cultural Rights.

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January 26, 2021

Hon. William C. Smith, Jr.

Times of emergency are unpredictable, and tenants should not be further punished for the unforeseeable impacts caused by catastrophic events. The COVID-19 emergency has severely impacted Maryland renters like renters in all states around this country. Many are having great difficulty paying their rent on time because of the economic disruption caused by the pandemic for workers throughout the economy. SB 130 ensures that those most impacted by an emergency are not responsible for late fees. The bill only applies to “impacted tenants,” which is defined as a tenant who has suffered a job loss or a loss of income of at least 50% during the state of emergency. A landlord is also allowed to request documentation regarding a tenant’s impacted status, further assuring that this bill will genuinely help those whose circumstances require it. Maryland Legal Aid recommends that this language change from “a reduction of household income of at least 50%” to “a substantial loss of income”. This change protects low-income families who are more impacted by income reductions than higher-income families.

Late fees are a tremendous burden on renters in even normal circumstances. At Maryland Legal Aid, we often have clients with outstanding late fees associated with their rent. These tenants cannot afford to pay a late fee in addition to rent. We have had clients who continue to pay their rent for years but have had difficulty paying it on time, who have amassed thousands of dollars in late fees. This reality for many tenants is a manifestation of the affordable housing crisis in Maryland. MLA clients have told us that affordable housing is the leading problem for low-income tenants in Maryland. With the pandemic, many are unsure when they might find sustaining employment soon. These people need time to recover without the burden of months of accumulating late fees. Further damaging these Marylanders by burdening them with late fees will only make society’s recovery more difficult and delay returning to normalcy. For those suffering the most during this pandemic, being late on rent is something they could not avoid, and their suffering should not be increased by the additional debt incurred as a result of late fees.

Maryland Legal Aid’s responsibility is to serve indigent Marylanders’ legal needs, but our mission is the advancement of Human Rights and Justice for All. This mission encompasses the right to safe and habitable housing. However, it also includes the right to equality before courts and tribunals and the equal protection of the law as enshrined in Articles 14 and 26 of the International Covenant on Civil and Political Rights. Punishing tenants impacted by emergencies like the COVID-19 pandemic is not justice—it is cruel and unfair. SB130 prevents this injustice and provides housing stability for impacted tenants.

Thank you for your consideration of this written testimony. For the reasons stated above, MLA urges a favorable report on SB130.

15/ Harrison Mont

Harrison Mont, Esq.

Staff Attorney

Maryland Legal Aid

Public Justice Center _FWA_SB 130.pdf

Uploaded by: Shah, Zafar

Position: FWA



Zafar Shah Attorney
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SB 130 - Landlord and Tenant – Failure to Pay Rent – Fee Limit During Emergencies
Hearing before the Senate Judicial Proceedings Committee, Jan. 28, 2021

Position: Favorable With Amendment

The Public Justice Center is a not-for-profit, civil legal aid organization that provides legal advice and representation to over 700 renters each year throughout Maryland. During the COVID-19 pandemic, our clients have struggled with job loss, health risk, and housing insecurity and join an estimated **109,000 to 204,000 Maryland households facing the risk of eviction** as 2020 ended. Because of the economic devastation wrought by the pandemic, these households are carrying a **rental debt burden that is estimated between \$206 million and \$381 million**. At this level of financial crisis, **it helps no one to pile late fees atop rental debt and other mounting household expenses.**

For this reason, Public Justice Center supports SB 130. However, we also urge changes to the bill that would ensure its effectiveness in protecting struggling Maryland households.

SB 130, in essence, provides a time-limited protection from late fees on rent during state-declared emergencies – this would apply beyond the COVID-19 emergency. The bill intends to limit impacted households' exposure to financial harm during an emergency by simply removing the harm of late fees, which are typically charged at the rate of 5 percent of the monthly rent. At median rent, late fees equate to approximately **\$70.00 per month**.

SB 130 includes two provisions that inadvertently would exclude many households from the bill's protection:

- First, "impacted renter" is defined to cover only those who suffer at least a 50 percent loss of income due to the emergency at issue. This proportional formula for covering certain renters, instead of all, creates absurd results wherein, for example, a \$200,000 income household suffering a 50% loss would benefit from late-fee protection but a \$35,000

income household suffering a 25% loss would be excluded. The financial peril of the latter household is greater and warrants SB 130's protection from unnecessary fees.

- Secondly, SB 130 goes beyond requiring a tenant, on a monthly basis, to notify the property management of their loss of income. A landlord may then request *any* document "that demonstrates that the tenant is an impact tenant." This provision puts a virtually unlimited burden on tenants, amid an emergency and financial upheaval. The bill does not identify whether the property management must accept submitted documentation, thereby leaving tenants vulnerable to repeated requests for more documentation and, inevitably, a run-around that effectuates a denial of the late-fee protection.

While a protection based on loss of income and notice thereof is rational, SB 130 contrasts similar emergency protections that arose amid the COVID-19 emergency. For instance, Prince George's County, Howard County, Baltimore City, and Frederick were among local jurisdictions that passed emergency legislation in 2020 amid the pandemic to prohibit rental property operators from charging late fees and other penalties for late payment or non-payment of rent. These laws do not require an income test, nor do they require tenants to send notifications to landlords and provide documentation of eligibility. These local laws have broad reach and reduce burdens on the people that legislators intend to protect.

SB 130 also contrasts the Governor's executive order on evictions, which extends only to renter households that have suffered a "substantial loss of income." Instead of tying that threshold to a percentage loss, the Governor's order defines "substantial loss" broadly.

In summary, Public Justice Center recommends replacing the 50 percent income loss provision in section 8-208.4(a) with a broad "substantial loss of income" definition and further recommends striking section 8-208.4(d) in its entirety.

Please issue a report of FAVORABLE WITH AMENDMENT on SB 130. If you have any questions, please contact Zafar Shah, shahz@publicjustice.org, (410) 625-9409 Ext. 237.

Senate Bill 130 - MMHA - Fav W Amendments.pdf

Uploaded by: Wiggins, Grason

Position: FWA



MARYLAND MULTI-HOUSING ASSOCIATION, INC.

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

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

This testimony is offered on behalf of the Maryland Multi-Housing Association (MMHA). MMHA is a professional trade association established in 1996, whose members consist of owners and managers of more than 210,000 rental housing homes in over 958 apartment communities. Our members house over 538,000 residents of the State of Maryland. MMHA also represents over 250 associate member companies who supply goods and services to the multi-housing industry.

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

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

AMENDMENT NO. 1

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

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

AMENDMENT NO. 2

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

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

Grason Wiggins, MMHA Senior Manager of Government Affairs, 912.687.5745

SB 130.pdf

Uploaded by: Castelli, William

Position: UNF



Senate Bill 130 – Landlord and Tenant – Failure to Pay Rent – Fee Limit During Emergencies

Position: Oppose

The Maryland REALTORS® opposes SB 130 which imposes a limit on late fees during the current emergency orders related to COVID-19 and for 9 months after the state of emergency.

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 many 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 don't have a lot of flexibility.

While SB 130 makes a good effort to require the kind of documentation that landlords would need to determine the position of the tenant, the REALTORS® are concerned that these costs will be born by landlords who will still be liable for the mortgage – even if forbearance has been granted – and will still be liable for costs to maintain the property in a safe a habitable manner regardless of whatever economic disruption they are experiencing personally.

Some 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 their 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.

For these reasons, the REALTORS® recommend an unfavorable report.

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