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February 15, 2021

To: The Honorable Luke Clippinger
Chair, Judiciary Committee

From: Kira Wilpone-Welborn
Consumer Protection Division

Re: House Bill 524 – Anne Arundel County and Prince George's County – Repossession for
Failure to Pay Rent – Rental Property License Information (SUPPORT)

The Consumer Protection Division of the Office of the Attorney General (the "Division") supports House Bill 524 sponsored by Delegate Mary A. Lehman, which ensures that a landlord is in compliance with legal requirements for renting a residential property before the landlord is able to evict a tenant through a summary ejection action in Anne Arundel and Prince George's Counties.

Landlord-tenant complaints are consistently among the top complaints received each year by the Division. A 2016 summer study that included landlords, tenant advocates, Maryland's courts, government officials and others highlighted existing issues arising in rent court actions, including the subject matter of this bill. In Anne Arundel and Prince George's Counties, a landlord is required to be licensed before renting a property. However, there is no requirement under current law that the landlord provide evidence to the court that it is in compliance with this requirement before using the courts to evict a tenant. It is well-settled that a business, which is required to be licensed, may not use the courts to enforce a contract if they are not so licensed. *See, e.g., Golt v. Phillips*, 308 Md. 1, 12 (1986). House Bill 524 is consistent with this principle.

Although the District Court complaint forms require landlords to certify they maintain applicable rental licenses, the Division has encountered landlords who have allowed their rental licenses to lapse but continue to file eviction actions against their tenants. Placing the burden on tenants to combat an erroneous certification at an expedited hearing without discovery is unfair to unsophisticated, and often unrepresented tenants. Instead, landlords who are already in possession of documentation and evidence of their licensure are in the best position to certify with the courts their compliance with Anne Arundel and Prince George's Counties' rental licensing requirements. By requiring that a landlord provide evidence to the court of compliance with this licensing

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requirement, House Bill 524 would ensure that a landlord in Anne Arundel or Prince George's Counties who has not met these prerequisites for renting an apartment cannot use the courts as a tool for collection and eviction. The Division believes that House Bill 524 is a reasonable measure that will help ensure that a landlord in Anne Arundel and Prince George's Counties who wishes to use the courts to evict a tenant was authorized to rent that unit to the tenant in the first place.

Accordingly, the Division requests that the Judiciary Committee give House Bill 524 with amendments a favorable report.

cc: The Honorable Mary A. Lehman
Members, Judiciary Committee