

## STATEWIDE ADVOCACY SUPPORT UNIT

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February 17, 2021

The Honorable Luke Clippinger Chairman, Judiciary Committee House Office Building, room 101 Annapolis, Maryland 21401

Re: Maryland Legal Aid's Testimony in Support for House Bill 524—Landlord and Tenant— Anne Arundel County and Prince George's County –Repossession for Failure to Pay Rent –Rental Property License Information

Dear Mr. Chairman and Members of the Committee:

Thank you for the opportunity to testify in support of House Bill 524. The legislation would provide more adequate protections for tenants in Anne Arundel and Prince Georges Counties by requiring Landlords to show their license to the clerk before filing a Failure to Pay Rent complaint. Maryland Legal Aid (MLA) supports this bill and asks that the committee give it a favorable report.

Maryland Legal Aid 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 barriers to obtaining employment, child custody, housing, and a driver's license. This letter serves as notice that Gregory Countess, Esq. will testify on behalf of MLA at Delegate Winika Fisher's request.

HB 524 codifies the tenant protections laid out in the Court of Appeals opinion in McDaniel v. Baronowski.<sup>1</sup> In that case, the Court ruled that a Landlord, who has not complied with a jurisdiction's licensing laws, cannot prosecute a failure to pay rent action. The Court requires those cases to be dismissed if the Landlord cannot show it complied with the jurisdiction's licensing laws. Though the bill requires a Landlord to show the clerk when they file a complaint that they have a license, the bill does not empower the clerk to take any action. However, it may provide a Landlord the opportunity to comply with the law before the complaint is filed and a hearing is scheduled. At a hearing on the complaint, the landlord must prove with a preponderance of the evidence that they comply with the licensing requirement to receive the relief sought.

<sup>1</sup> McDaniel v. Baranowski, 419 Md. 560 (2011)

There are additional benefits for tenants. Over 147,000 families in Maryland are paying more than fifty percent of their income in rent. Many MLA clients do not earn enough income to afford their rent. Taking a day off to attend a court hearing means they have one day less of earnings and makes it even more difficult to pay rent that may be found due and owing by the court. Failing to appear at the hearing can result in an improper judgment against tenants. The stakes are often balanced on the bad choices of appearing and losing income or not appearing and having a judgment entered for an incorrect amount.

Maryland Legal Aid published a study in 2016 that looked at basic due process standards in rent court. The study found that in approximately 30% of Maryland's default judgments, a legal error resulted in incorrect outcomes or that court records were too unclear or too incomplete to ascertain whether those outcomes were correct. This study included a sampling of cases from across the state. Therefore, the inability of tenants to appear in court puts them in jeopardy of having legally unsupported judgments against them, which increases the chances that they may be evicted and face homelessness.<sup>2</sup>

MLA's responsibility is to serve indigent Marylanders' legal needs, but the mission is to advance Human Rights and Justice for All. Including the right to safe and habitable housing. Licensing laws were enacted to provide tenants with housing that is safe and habitable. Therefore, in addition to the time and money saved, tenants in Anne Arundel and Prince George's Counties will benefit from a Failure to Pay Rent statute that reinforces the health and safety goals of the jurisdictions' licensing laws. This bill and the licensing laws adhere to one of the basic principles of the right to housing- that housing be safe, decent, and habitable.

For these reasons, Maryland Legal Aid urges this committee for a favorable report on HB 524.

Sincerely,

<u>/S/ Gregory Countess</u> Gregory Countess, Esq. Director of Advocacy for Housing and Community Economic Development Maryland Legal Aid 410 951 7687 gcountess@mdlab.org

<sup>&</sup>lt;sup>2</sup> https://www.mdlab.org/wp-content/uploads/MDLegalAid\_RentCourtStudy\_Release-Date-9-8-16.pdf