



**COMMUNITY  
LEGAL SERVICES**  
OF PRINCE GEORGE'S COUNTY, INC.

**Testimony Concerning HB 0524  
"Anne Arundel County and Prince George's County —  
Repossession for Failure to Pay Rent — Rental Property  
License Information"  
Submitted to the House Judiciary Committee  
Hearing Date: February 17, 2021**

**Position: Favorable**

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Community Legal Services of Prince George's County, Inc., (CLS) requests a favorable report on HB 524 and provides the following reasons to support this position.

CLS's mission is to educate, represent and empower low-income members of the Prince George's County community regarding Civil Legal Matters. In December of 2018, CLS began a Failure to Pay Rent Tenant Representation Program in Prince George's County where it began providing same-day representation to tenants at their Failure to Pay Rent hearings. CLS has represented over 775 clients in landlord/tenant proceedings since our pilot began. As the Staff Attorney, I am in the courtroom weekly and experience the confusion and difficulty a temporary license presents to tenants.

The County's license requirement is practical in nature: before allowing a homeowner or property manager to rent property to a tenant, that property must first be inspected to ensure that it complies with State and County laws, and is free from defects that pose a threat to the occupant's health, life, or safety.

In Prince George's County, the process by which a landlord obtains a rental license is two-fold. First, a landlord must apply for a license with the County, which requires that the landlord pay a fee. Once that fee is paid, the County issues a Temporary License for 90 days, during which time the landlord must have the property inspected. After an inspection takes place, if the rental property is deemed "habitable", the County will issue a Permanent License which must be renewed periodically. Unfortunately, there are times when a landlord proceeds to rent their property having only obtained a Temporary License, and without an inspection having ever occurred.

The Court of Appeals in *McDaniel v. Baranowski*, 419 Md. 560 (2011) determined that a landlord who does not possess a current license to rent property is not entitled to utilize summary ejectment proceedings, if the property is in a jurisdiction that requires owners to obtain a valid rental license. However, the Court did not make a distinction as to the validity of a Temporary License versus a Permanent License.

Prince George's County Department of Permitting, Inspections and Enforcement has issued guidelines which state that a Temporary License is not sufficient to obtain a Judgment for Possession in a Summary Ejectment proceeding. However, because there is no judicial or statutory precedent which addresses the validity of Temporary Licenses, the issue is left to the interpretation of the judiciary and lawyers.

Possession of a Temporary License for a property does nothing to comply with the rationale of the *McDaniel* case because it does nothing to ensure the property can or will pass the health and safety inspection required to obtain an actual rental license. Accordingly, a "Temporary License" does not satisfy the *McDaniel* licensing requirement. However, based on our real-world experience in Prince George's County, the distinction between a Temporary License and an actual rental license is not consistently being considered by the Court. A clear statement in the statute will make the distinction clear and will prevent experiences like the one discussed below.

As stated above, the primary purpose of a rental license is to ensure that the property is inspected and deemed fit for human

As stated above, the primary purpose of a rental license is to ensure that the property is inspected and deemed fit for human habitation. Temporary Licenses are issued to landlords after simply paying a fee. And because there is no codified requirement to obtain a permanent license prior to initiating a Summary Ejectment action, a landlord is free to file a Summary Ejectment case without having had their rental property inspected or having obtained a permanent license. This problem was apparent in a case in which I represented a tenant at a Failure to Pay Rent and a Rent Escrow hearing, which was raised as a defense to the landlord's Summary Ejectment filing. In that case, the landlord had only obtained a Temporary License at the time of filing his Failure to Pay Rent Case. I argued that the landlord's Failure to Pay Rent case should be dismissed based on him having only obtained a Temporary License. The court disagreed but allowed the tenant to establish a Rent Escrow case based on her description of the numerous housing code violations she was forced to live with. Before the Rent Escrow case could be fully litigated, the County declared the property unfit for human habitation and ordered the tenant to vacate within 24 hours, leaving the burden of moving costs to the tenant. This is a real-world example of why Temporary Licenses are insufficient to initiate Summary Ejectment proceedings, and why this codification is necessary.

**For the reasons stated above, Community Legal Services of Prince George's County, Inc., urges a favorable report on House Bill 524.**

**Thank you,**

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<b>SUBJECT:</b>	Single Family Rental License Standard Operating Procedures
<b>PURPOSE:</b>	To provide the guidelines for processing applications, inspection and issuance of a single family rental license.
<b>SCOPE:</b>	This SOP applies to the processing of single family rental licenses.
<b>AUTHORITY:</b>	Director, Department of Permitting, Inspections and Enforcement (DPIE)
<b>RESPONSIBILITY:</b>	Associate Director, Enforcement Division Code Enforcement Officer will monitor the implementation of the Single Family Rental Licensing Program. Rental License Supervisor is responsible for the overall operation of the Program. Enforcement Division Inspectors
<b>EFFECTIVE DATE:</b>	JUNE 1, 2018

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**PROCEDURES:**

1. Application must be completed on line.
2. The license fee is \$115.00 for a 2-year license payable on line.
3. Once payment is complete a temporary license is issued. The temporary is valid for (90) ninety days from the date of application. Temporary licenses are not sufficient for the courts to remove a tenant from the property. Owner must possess the permanent license.
4. Rental license fees are non-refundable, once application is received a license will be issued whether property is rented or not.
5. Overpayments or properties located in a municipality which has an approved code enforcement program will be initiated for refund and notification will be sent to the property owner and Office of Finance.
6. Proof of ownership is required on all newly acquired property. ( HUD 1, settlement papers, deed)
7. Exemptions are the absence of applying for a rental license if the property owner is active duty military, family member resides in the property or owner has been relocated due to a job, education and maintains the property as their domicile.
8. New legislation has been enacted that requires the name of the Condominium Association, Cooperative Housing Corporation or Home Owner's Association In addition, certification from one of the entities verifying that the dwelling unit does not have any liens for non-payment of Common Ownership Fees and the unit does not violate any covenants or bylaws.

9. If the property is rented with a management company, a copy of the management agreement and a copy of the drivers' license of the owner is required.
10. The application will be processed to ensure that all attachments are provided upon the inspection.
11. If all attachments are not provided (i.e., HOA letter, Management Agreement, Owner's Driver's License) the temporary license will be denied.
12. The inspector will conduct an on-site interior and exterior inspection of the property with the owner and/or tenant and cite any code violations observed with a specific date for compliance.
13. When the property is in compliance with the County Code, the application will be issued by the inspector.
14. The Inspector will designate the license permitted in E-permits, print and sign a copy and mail it to the owner/management company.