



House Bill 1008 – Failure to Pay Rent Proceedings – Sealing of Court Records

Position: Oppose

Maryland REALTORS® opposes HB 1008 which would permit shielding of certain court records, including for eviction.

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.

Some small landlords may not even make enough money in rent to cover their mortgage obligations on a property and for that reason it is important that they know whether a tenant has been current on the rent. If HB 1008 were to pass, a landlord would only be able to see the judgement when a warrant of restitution or possession is granted. However, Maryland's unique law that allows tenants to exercise of warrant of restitution at least three times during the year unlike other states. That is important information for a small landlord with limited finances.

As an example, in Prince George's County, a landlord evicting a tenant is required to have a 25-person eviction crew, a tow truck and locksmith that can cost over \$1,000. If the tenant exercises the warrant of restitution, the landlord will still have to pay some or all of those costs. And that could happen three other times. Smaller landlords will want to know that because they may not be able to pay the mortgage if a tenant has trouble consistently paying rent on time.

For that reason, the REALTORS® recommend an unfavorable report.

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