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TO: The Honorable Luke Clippinger
Chair, Judiciary Committee

FROM: The Office of the Attorney General

RE: House Bill 52 – Real Property – Alterations in Actions for Repossession and Establishment of Eviction Diversion Program – **Letter of Support**

The Office of the Attorney General submits the following written testimony in support of House Bill 52 which incorporates recommendations and findings from the Attorney General's COVID-19 Access to Justice Task Force. Specifically, House Bill 52 provides that before pursuing a Failure to Pay Rent Action a landlord must first provide the tenant a ten-day notice with the alleged arrearages, accrued late fees, and the period of time the delinquency occurred. The ten-day notice requirements of this bill also require tenants be provided with information on Eviction Diversion Programs, Alternative Dispute Resolution Offices, and District Court Self-Help Centers. Additionally, this bill requires landlords to cooperate with a tenant's application for financial assistance to cure any arrearage.

Our Office's Consumer Protection Division regularly receives consumer complaints that a landlord has accused a tenant of unpaid or under-paid rent when the tenant disputes that there is an arrearage or alleges that their payments were misallocated to non-rent charges. While the Division attempts to mediate these disputes, landlords do not always engage with Division mediators and any delay in resolution of the dispute can lead to a landlord securing a warrant of restitution against the tenant and the tenant losing their housing. Requiring landlords to provide written notice of the amounts owed, the period of delinquency, and resources to assist with curing any alleged debt will allow landlords and tenants to more easily resolve alleged debts while maintaining continuity of housing.

Moreover, Section 8-401 of the Real Property Article currently allows landlords to file summary ejectment actions as soon as the landlord has not received a tenant's full rental payment, and landlords may file cases for any alleged arrearage amount. As such, the tenant's first notice of alleged delinquency can arrive as a summons from the District Court with compounded demands for late fees and other costs connected to the filing. However, if a tenant received prior notice of the alleged delinquency as this bill provides, the tenant could cure the arrearage prior to a summary ejectment action being filed. Thus, releasing much needed pressure off the overburdened rent court dockets in Maryland's District Courts.

Likewise, due to the current expedited nature of summary ejectment proceedings, tenants often are unable to gather the evidence necessary to dispute erroneous allegations of arrearages or investigate misallocations of prior payments and other available defenses. Under the provisions of this bill, when a dispute as to the amount in arrearage remains and a summary ejectment must be filed, tenants would be afforded the limited time needed to gather evidence and investigate defenses.

Finally, landlords are not presently required to complete applications or accept payments from rental assistance programs, often leaving tenants eligible for assistance without the resources or access to services that would cure any outstanding rental balance. During the COVID-19 Pandemic and the extended CDC eviction moratorium, connecting tenants to financial assistance programs and alternative dispute resolution services, while simultaneously requiring landlords to complete applications for financial assistance is necessary to ensure consumers remain housed and to prevent the spread of the coronavirus.

For these reasons, we ask that the Judiciary Committee return a favorable report on HB 52.

cc: Delegate Wells
Members, Judiciary Committee