



Bill Title: House Bill 697, Residential Property - Eviction Proceedings - Shielding of Court Records

Committee: Judiciary

Date: February 17, 2021

Position: Unfavorable

This testimony is offered on behalf of the Maryland Multi-Housing Association (MMHA). MMHA is a professional trade association established in 1996, whose members consist of owners and managers of more than 210,000 rental housing homes in over 958 apartment communities. Our members house over 538,000 residents of the State of Maryland. MMHA also represents over 250 associate member companies who supply goods and services to the multi-housing industry.

House Bill 697 seeks to automatically shield court records when judgment is entered in a summary ejectment proceeding. If a court issues a warrant of restitution or warrant of possession to a party to an action, the court must cease shielding the court records associated with the action unless, not more than 5 days after the issuance of the warrant, the parties submit to the court a written statement expressing mutual agreement to the continued shielding of the court records. A record shielded under this section may be made available for inspection only by written request mutually agreed to by the parties or order of the court on a showing of compelling need. The bill provides the content of a summons for shielding.

MMHA opposes the bill for the following reasons:

1. Value in Reviewing Court Records: The ability to review credit scores and court records, particularly those involving previous failures to pay rent, is an important tool that assists residential housing providers. To be clear, a negative rental history does not, in and of itself, preclude an applicant from leasing of an apartment. However, a full accounting of a tenant's prior rental history is critical to structuring a productive tenancy that benefits tenants and limits the risk incurred by property owners. If the objective of HB 697 is to assist prospective residents, the answer is not to hide or shield records from prospective residential housing providers. Conversely, a lack of court records, including failure to pay rent court histories, creates a false picture of the prospective resident. It could suggest the resident is a stronger applicant. However, if that's not the case, encouraging approval of a lease with rents which are not manageable could result in throwing the consumer into an even larger problem.
2. Residential Housing Providers have a Duty of Care: HB 697 precludes property owners from considering an applicant's rental court records, which will impact the larger rental community. If property owners are unable to review an applicant's full court record, the number of evictions will increase. Property owners will account for a higher number of



evictions when assessing rent prices. As such, HB 697 would increase rent prices for all Marylanders.

3. Credit Reporting Laws: Federal and Maryland credit reporting laws currently authorize the reporting, evaluating and factoring of court records for a seven year history. We should not seek to shorten the 7 year life span of such records.

For these reasons, we respectfully request an unfavorable report on House Bill 697.

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