



House Bill 729

Committee: Judiciary Committee

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 729 increases the surcharge amount for failure to pay rent, tenant holding over, and breach of lease cases from \$8 to at least \$120. Moreover, the bill requires that the fee be assessed against a landlord and prohibits the District Court from assigning or awarding the fee or cost against a residential tenant. **None of Maryland's contiguous states prohibit a court from assessing a filing fee against a tenant in eviction cases, and MMHA is unaware of any other state that prohibits this action.**

By raising filing fees and barring landlords from collecting fees from tenants who have not paid their rent, House Bill 729 ensures that rent prices will be increased on *all* tenants. Pursuant to Maryland law, landlords' are provided with one option when a tenant fails to pay rent – file for eviction. When the price of eviction cannot be passed on to the tenants that have failed to pay their rent or broken their lease, the price is passed on through rent increases levied against tenants that have paid their rent and abided their lease.

House Bill 729 is nothing less than a tax targeted at housing providers designed to restrict and chill the industry's access to courts. To justify this unprecedented tax, the Attorney General has pointed to the number of eviction filings in Maryland compared to our contiguous states, but the Attorney General has failed to understand the true cause for Maryland's higher number of filings – the *right to redeem*.

The *right to redeem* allows a tenant to pay unpaid rent and stay in the property at *any time* prior to the actual eviction taking place. In Maryland, tenants may exercise their right to redeem up to 3 times per calendar year – 4 in Baltimore City. In Maryland's contiguous states, tenants may only exercise their right to redeem once per tenancy. Thus, Maryland's eviction filings are higher than contiguous states, but the vast majority of filings do not result in actual evictions.

House Bill 729 solely precludes collection of surcharge fees for eviction cases. This selective and fundamentally unfair proposition will do nothing to stem the tide of future eviction filings. Instead of precluding landlords from collecting filing fees from tenants who have failed to pay their rent, the state should be focused on ensuring that rental assistance money is quickly and appropriately distributed.

In the midst of a pandemic that has resulted in unprecedented rent delinquencies, House Bill 729 increases eviction filing fees for cases that are not currently being scheduled. Pursuant to court guidance, and with respect to potential federal actions, eviction cases may not be scheduled until late 2021 at the earliest.



Increasing filing fees and removing the ability to recoup those fees from tenants will do nothing to solve Maryland's current crisis.

For the aforementioned reasons, MMHA respectfully requests an unfavorable report on House Bill 729.

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