



MARCH 29, 2022

Renters Deserve a Fair Chance to Access Available Rental Assistance

Position Statement Supporting Senate Bill 384 as Amended

Given before the House Environment and Transportation Committee

Maryland has unprecedented funding to prevent evictions. Every dollar of our estimated rent debt of \$392 million can be paid by local emergency rental assistance programs that have scaled up over the past year and still have \$467 million in funding.^{i ii} Yet, in the second half of 2021, there were nearly 27,000 eviction cases filed for non-payment of rent per month. In that time, 705 households were evicted per month. **The Maryland Center on Economic Policy supports Senate Bill 384 as amended because it would help people access needed rental assistance.**

The spread of COVID-19 has resulted in substantial loss of income for many Marylanders, leaving them unable to afford their rent. Preserving housing stability is critical to set up families and communities for a strong economic recovery. Maryland families were already facing housing instability long before the pandemic. In Maryland, in average of 660,000 evictions are filed annually.

In Maryland:

- 115,000 eviction cases were filed from July to November of last year
- Over 2,500 Marylanders were evicted amid the surging public health crises from July to November of last year
- An estimated 105,000 Marylanders are currently behind on their rent
- 62% of Maryland renters feel “very” or “somewhat” likely to be evicted in the next 2 months

SB 384 was heavily amended to address the concerns of landlords and received a unanimous favorable vote in the Senate committee. **We urge the committee to vote favorable on SB 384 as amended by the Senate without weakening amendments.**

SB 384, like the cross-file HB 674, provides that the court should hit the pause button on rent-based evictions when a rental assistance application is pending. The state and local governments have \$400 million in rental assistance available, but Maryland still has nearly 700 evictions per month across the state. The Senate adopted substantial amendments in response to the concerns of landlord and property owner groups. These amendments:

- Limit the stay of eviction to up to 35 days;
- Restrict access to only those tenants who applied for rental assistance within 30 days of the filing for eviction;

- Strike the language that would have prohibited landlords from filing suit to collect rent after refusing rental assistance; and
- Sunset the bill in 3 years.

No one should be evicted in the unprecedented aftermath of a global pandemic when there is money to pay the rent. SB 384 as amended by the Senate is a reasonable compromise that gives rental assistance agencies the opportunity to be effective. At least 16 other state and local jurisdictions have enacted protections for tenants who have applied for rental assistance by temporarily staying eviction process.ⁱⁱⁱ Additionally, some states have issued guidance that landlords who refuse rental assistance violate the state’s source of income law. For these reasons, **the Maryland Center on Economic Policy respectfully requests the Environment and Transportation Committee make a favorable report on Senate Bill 384.**

Equity Impact Analysis: Senate Bill 384 (as passed the Senate)

Bill Summary

As amended in passed in the Senate, SB 384 provides authority for the court to pause the eviction process related to rent assistance, with limitations that ensure landlords can still pursue evictions for failure to pay rent.

Background

Right now, there is no statutory authority for judges to pause the eviction process related to rent assistance. SB 384 mandates a stay on failure to pay rent proceedings, on a case-by-case basis, if a judge determines that a good faith rental assistance application to resolve the debt is pending.

Equity Implications

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Impact

Senate Bill 384 will likely **improve racial, gender, and economic equity** in Maryland.

ⁱ National Equity Atlas (2021) *Debt in America* <https://nationalequityatlas.org/rent-debt>

ⁱⁱ Maryland Department of Housing and Development. *Emergency Rental Assistance Program Dashboard* <https://app.powerbigov.us/view?r=eyJrJjoizDliMTA3YzUtMDBiMiooNmJlLThlZmMtYzMyMTkwZTFY2NiIiwidCI6IjdkM2I4ZDAwLWY5YmUtNDZlNy05NDYwLTRlZjJkOGY3MzEoOSJ9>

ⁱⁱⁱ National Low Income Housing Coalition. *Tenant Protections and Emergency Rental Assistance During and Beyond the Covid-19 Pandemic.* https://nlihc.org/sites/default/files/Tenant-Protections_Emergency-Rental-Assistance-during_beyond_COVID-19_Pandemic.pdf