



**MARYLAND
LEGAL AID**

Advancing
**Human Rights and
Justice for All**

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The Honorable Kumar P. Barve
Chair of the Environment and Transportation Committee
House Office Building
Annapolis, Maryland 21401

**RE: Maryland Legal Aid Written Testimony in Support of HB 174 –
Repossession for Failure to Pay Rent – Registration and License Information**

Dear Mr. Chairman and Members of Committee:

Thank you for the opportunity to testify in support of this critical bill. Maryland Legal Aid (MLA) is a non-profit law firm that provides free legal services to the State's low-income and vulnerable residents. MLA handles civil legal cases involving a wide range of issues, including family law, housing, public benefits, consumer law (e.g., bankruptcy and debt collection), and criminal record expungements to remove child custody barriers, housing, a driver's license, and employment. Maryland Legal Aid supports HB 174 and asks that this committee give it a favorable report.

This letter serves as notice that Harrison Mont, Esq. will testify in support of HB 174 on behalf of Maryland Legal Aid at Delegate Vaughn Stewart's request. This bill ensures that landlords filing for eviction for failure to pay rent have the required rental license and comply with lead abatement laws. Before bringing an eviction action, landlords must have their license and lead abatement information and, in court, must prove compliance by a preponderance of the evidence standard. As these documents are already required for a landlord to collect rent in many jurisdictions, including Baltimore City, HB 174 justly prevents unjust failure to pay rent evictions.

HB 174 codifies the tenant protections in the Court of Appeals opinion in *McDaniel v. Baranowski*.¹ In *McDaniel*, the court ruled that a non-compliant landlord, who has not complied with a jurisdiction's licensing laws, cannot prosecute a failure to pay rent action in a jurisdiction that requires landlords to comply with licensing procedures. The court requires those cases to be dismissed if the landlord cannot show it complied with the licensing laws of the jurisdiction. Additionally, a landlord cannot collect rent when it has not complied with the licensing requirement. Though this bill requires a landlord to show the clerk when

¹ *McDaniel v. Baranowski*, 419 Md. 560 (2011)

they file a complaint that it has a license, it does not empower the clerk to take any action. It may provide a landlord with the opportunity to comply with the law before the complaint is filed and a hearing is scheduled. Thus, it provides an opportunity to conserve judicial resources by educating a landlord about their responsibility under the law before a hearing is held.

For tenants, there are additional benefits. Over 147,000 families in Maryland are paying more than fifty percent of their monthly income for rent. Since many MLA clients already don't earn enough income to afford the rent due, taking a day off to attend a court hearing means they have one day less of earnings and makes it even more difficult to pay rent that may be found due and owing. Because failing to appear at the hearing can result in an improper judgment against them, the stakes are often dependent on the difficult choice of whether to appear and lose income, or not appear so as not to miss work and lose more income, at the expense of and a court making an improper finding of an amount due and owing.

Currently, unlicensed landlords are often successful in evicting in failure to pay rent actions because the tenant does not appear in court. This is evidenced by Maryland Legal Aid's 2016 study that looked at rent court to see whether it met basic due process standards.¹ The study of rent court practices looked at default judgments and found that in approximately 30% of the courts' default judgments in Maryland, there was legal error which resulted in incorrect outcomes or that court records were too unclear or too incomplete to ascertain whether those outcomes were correct. This study included a sampling of cases from across the state. This bill requires a landlord assert compliance prior to filing, preventing unlicensed landlords from getting a hearing for a failure to pay rent action. Thus, reducing the amount of legally unsupported judgments and protecting tenants from unjust eviction.

The purpose of the license and lead abatement requirements is to assure that tenants are living in safe and habitable properties. The landlord must have the property inspected to obtain a license and ensure compliance with lead paint regulations and building codes. In many cases where a landlord rents to tenants without a license, the property is entirely unsafe for human habitation. MLA advocates often represent tenants living in unlicensed properties covered in mold, unstable stairways, areas at risk of collapse, no fire escape, and other life-threatening dangers. The impact of non-compliance with lead abatement laws is even more dire, often creating permanent adverse health issues for entire generations and their children.

Maryland Legal Aid's mission is the advancement of Human Rights and Justice for All. This mission encompasses the right to safe and habitable housing and the equal protection of the law as enshrined in Articles 14 and 26 of the International Covenant on Civil and Political Rights. Maryland's license and lead abatement requirements are essential in ensuring that the state protects its citizens' human right to safe and habitable housing. HB174 would strengthen Maryland's licensing and lead abatement measures and provide additional assurances that courts are aware of landlords' compliance before granting a failure to pay rent eviction.

¹ https://www.mdlab.org/wp-content/uploads/MDLegalAid_RentCourtStudy_Release-Date-9-8-16.pdf

Thank you for considering this written testimony. For the reasons stated above, MLA urges a favorable report on HB174.

/S/_____

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