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HB0932 - Landlord and Tenant – Right to Redemption of Leased Premises – Form of Payment

Hearing before the House Environment and Transportation Committee, Feb. 22, 2022

Position: SUPPORT (FAV)

Public Justice Center (PJC) is a nonprofit public interest law firm that serves over 600 renters each year. We stand with tenants to protect and expand their rights to safe, habitable, affordable, and non-discriminatory housing. We also have continuously advocated during the COVID-19 pandemic for equitable distribution of Emergency Rental Assistance (ERA). HB0932 is one facet of equitable distribution of rental assistance. The bill would ensure that when tenants must exercise their legal right to redeem possession of rental property, they may do so by tendering an electronic or paper check from an ERA program. PJC seeks the Committee's Favorable report on HB0932.

Many landlords have fully cooperated with the federal imperative to utilize the nearly \$800 million of rent relief that came from the Treasury to the State of Maryland and localities. Others, however, choose to file eviction actions while an ERA application is pending. From data reported by the Department of Housing and Community Development and the Maryland Judiciary respectively, we know that, in July 2021, the ratio of Failure to Pay Rent eviction filings to households served by ERA programs was nearly **9:1**. Even with the local agencies' incredible ramp-up effort over summer and fall, plus the implementation of new notice requirements under HB0018 (Oct. 2021), that ratio was still approximately **4:1** at the close of 2021. Consequently, when ERA programs are cutting checks to pay off rental debts, neither the programs nor the tenants who applied have any certainty that landlords will accept these payments. The language of the current provision on right of redemption, in Real Prop. art. § 8-401, gives landlords the opening to deny those payments because they are not tendered by the tenant in the form of cash, money order, or certified check.

Even before the COVID-19 pandemic, PJC encountered cases in which landlords carried out evictions even after their renters had obtained payment from Department of Social Services or a non-profit charity.

HB0932 closes the loophole in the right of redemption provision of Section 8-401 by specifically including government agency payments.

Public Justice Center is a member of the Renters United Maryland coalition and asks that the Committee **issue a report of FAVORABLE on HB0932.** If you have any questions, please contact Zafar Shah, shahz@publicjustice.org, (410) 625-9409 Ext. 237.