## HB134\_MCRC\_FWA (2022).pdf Uploaded by: Isadora Stern

Position: FAV



### Testimony to the House Environment and Transportation Committee HB134: Failure to Pay Rent Proceedings - Prohibition on Rent Increases and Sealing of Court Records Position: Favorable With Amendments

January 18, 2022

The Honorable Kumar Barve, Chair
House Environment and Transportation Committee
House Office Building, Room 251
Annapolis, Maryland 21401
cc: Members, House Environment and Transportation Committee

Honorable Chair Barve and Members of the Committee:

The Maryland Consumer Rights Coalition (MCRC) is a statewide coalition of individuals and organizations that advances economic rights and financial inclusion for Maryland consumers through research, education, direct service, and advocacy. Our 8,500 supporters include consumer advocates, practitioners, and low-income and working families throughout Maryland.

We are writing today in support of HB134.

HB134 would allow for the sealing of eviction records in failure to pay rent cases. For many tenants, having an eviction on their record – even if the case was ultimately dismissed or the court ruled in the tenant's favor - will adversely affect their ability to rent another property or access affordable housing opportunities in the future. The prevalence of nonpayment of rent filings in Maryland, which are often used as a debt collection tool in Maryland, makes the threat of losing out on housing opportunities based on failure to pay rent filings very real for many tenants.

Moreover, House Bill 134 provides an essential relief for Marylanders impacted by the COVID-19 Pandemic. While the CDC's COVID-19 eviction moratorium provided some relief for Maryland families, more protections are needed to ensure that Marylanders experiencing the continual waves of the pandemic are able to maintain and access new housing.

MCRC's Tenant Advocacy program empowers tenants to advocate for themselves by providing information about housing rights and responsibilities, legal information, mediation, and referrals to other nonprofits and legal services. The requests we have received for assistance with eviction have increased by 36% over 2020. COVID-19 has exponentially increased the housing insecurity impacting Maryland tenants.



In 2021, our Tenant Advocacy program received 1271 complaints from Maryland residents statewide. Of those 1271, 800 were related to eviction. The bill would ensure that if a case filed against a tenant where the tenant prevailed or a dismissal was entered, or if the tenant exercised the right of redemption ("pay to stay"), then the record will not be held against a tenant in their efforts to find housing in the future. This is change to the eviction process is long overdue, as most families affected by eviction and the lack of affordable housing are non-white households. Only 17% of our 512 tenants who needed assistance with eviction in 2020 were white.

In a 2020 Baltimore City eviction study it was found that the number of Black eviction removals is 3 times higher (195% more) than white evictions and 46% more female headed households were removed from their homes as compared to male headed households. Shielding and sealing records are a powerful solution that work together to mitigate the harm of evictions and ensure that tenants are able to secure alternate housing and avoid homelessness.

MCRC supports HB134 with one critical amendment to remove language excluding subsidized tenants. The bill, as currently written, would exclude tenants who reside in federally assisted housing from the opportunities presented by the bill. This exclusion does not have a basis in federal law governing mandatory admission denials, which typically are based in a tenant's criminal background rather than a tenant's history of rental payments. 5 While a federally assisted housing project may consider a tenant's prior rental payment history 6, it has no obligation to do so. This makes the process of reviewing eviction records for prospective tenants in federally assisted housing unnecessary to proceed with approval. Indeed, such reviews of records place even more significant barriers on families attempting to enter or remain in federally-subsidized programs, who are already qualified for these programs based on their status as families with extremely low income.

Maryland should join the nationwide movement pushing for the shielding and sealing of eviction records. Since 2021 Nevada, Oregon, and Minnesota allow courts to expunge eviction records on a case-by-case basis. California automatically seals records and The District of Columbia passed a sealing law as a pandemic-era measure and is now considering making it permanent.<sup>2</sup> Maryland should join these jurisdictions in recognizing that sealing and shielding records is not only a matter of protecting tenants' rights, but also an issue of racial justice.

For all these reasons, we support HB134 with the included amendment and ask for a favorable report.

Best,

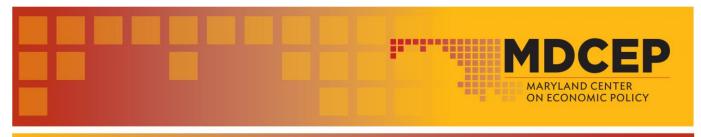
Isadora Stern Policy Associate

<sup>&</sup>lt;sup>1</sup> https://evictions.study/maryland/report/baltimore.html

<sup>&</sup>lt;sup>2</sup> https://theappeal.org/the-lab/report/erasing-the-scarlet-e-of-eviction-records/

# HB134\_\_MD Center on Economic Policy\_FAV.pdf Uploaded by: Kali Schumitz

Position: FAV



JANUARY 18, 2022

### Dismissed Eviction Cases Should Not Be Allowed to Continue to Harm Maryland Renters

#### **Position Statement Supporting House Bill 134**

Given before the Environment and Transportation and Judiciary Committees

For the past two years, a little over 200,000 failure to pay rent proceedings were dismissed in Maryland courts. That's over 200,000 Marylanders impacted adversely as the presence of these court proceedings remain on their tenant record even if the proceeding is dismissed. As a result, a tenant can experience long-term adverse effects from an eviction proceeding even when the filing did not result in a judgment against the tenant as it's available to review on Maryland Case search and shows up on tenant screening reports for 7 to 10 years depending on the company. The Maryland Center on Economic Policy supports House Bill 134 because it would expand access to safe, stable housing.

There is a growing movement of states nationwide realizing that sealing eviction records is critical for tenants' rights, preserving housing stability, and advancing economic and racial justice. Since 2019, Massachusetts, Colorado, Nevada, and the District of Columbia have all proposed legislation to seal eviction records. These states now offer stronger protections for all tenants, which particularly benefits Black women, who face disproportionate levels of eviction both locally and nationwide. In a 2015 survey conducted by the Public Justice Center, 94% of participant tenants who appeared for rent court in Baltimore City identified as African American or Black, and 80% identified as women. These numbers play out similarly with evictions in Baltimore City – a Black female-headed household is 296% more likely to be evicted there than a white male-headed household.

Sealing records is a powerful solution that can mitigate the harm of evictions and ensure that tenants can secure alternate housing and avoid homelessness. Under current law, all eviction records are public records, regardless of the outcome of the case and no matter how long it has been since disposition or resolution of the case. This can create significant barriers for tenants searching for new housing, especially for tenants who may need to move quickly due to unsafe conditions in their home. HB 134 would change that structure and instead if an eviction action is dismissed or judgment is entered in favor of a tenant, court records associated with that action will automatically be sealed after 60 days. The bill also allows for tenants to file a motion to have the records sealed if the judge rules in the landlord's favor if evidence shows that the tenant exercised their right of redemption and at least 12 months have passed since the final resolution. The bill also prevents the landlord from increasing the rent because a judgement was entered against a tenant in failure to pay rent case.

We believe that HB 134 protect renters' privacy, allow easier access to safe and stable housing, and promote racial justice. For these reasons, the Maryland Center on Economic Policy respectfully requests the House

### Environment and Transportation and Judiciary Committees to make a favorable report on House Bill 134

#### **Equity Impact Analysis: House Bill 134**

#### Bill Summary

HB 134 allows for sealing of eviction records and prohibition of rent increases in the event a judgement is rendered against the tenant.

#### Background

HB 134 allow for the sealing of eviction records in failure to pay rent cases. For many tenants, having an eviction on their record – even if the case was ultimately dismissed or the court ruled in the tenant's favor - will adversely affect their ability to rent another property or access affordable housing opportunities in the future. The prevalence of nonpayment of rent filings in Maryland, which are often used as a debt collection tool in Maryland, makes the threat of losing out on housing opportunities based on failure to pay rent filings very real for many tenants. The bill also proposes to seal records on a specific timetable based on the disposition of the case. For cases that are dismissed or where judgment is entered in favor of the tenant, the bill proposes to seal the eviction record 60 days after that final disposition. The bill also prevents the landlord from increasing the rent because a judgement was entered against a tenant in failure to pay rent case.

#### **Equity Implications**

Sealing records is not only a matter of protecting tenants' rights, but also an issue of racial justice – particularly for Black women, who face disproportionate levels of eviction both locally and nationwide. In a 2015 survey conducted by the Public Justice Center, ninety four percent (94%) of participant tenants who appeared for rent court in Baltimore City identified as African American or Black, and eighty percent (80%) identified as women. These numbers play out similarly with evictions in Baltimore City – a Black female-headed household is 296% more likely to be evicted there than a white male-headed household. HB 134 will protect renters' privacy, allow easier access to safe and stable housing, and promote racial justice

#### **Impact**

House Bill 114 would likely improve racial, gender and economic equity in Maryland.

Matthew Desmond, "Poor Black Women Are Evicted at Alarming Rates, Setting Off a Chain of Hardship" (2014), https://www.macfound.org/media/files/hhm\_-\_poor\_black\_women\_are\_evicted\_at\_alarming\_rates.pdf;

ACLU, "Clearing the Record: How Eviction Sealing Laws Can Advance Housing Access for Women of Color," <a href="https://www.aclu.org/news/racial-justice/clearing-the-record-how-eviction-sealing-laws-can-advance-housingaccess-for-women-of-color/">https://www.aclu.org/news/racial-justice/clearing-the-record-how-eviction-sealing-laws-can-advance-housingaccess-for-women-of-color/</a>

<sup>&</sup>lt;sup>i</sup> 1 STOUT RISIUS ROSS, LLC, THE ECONOMIC IMPACT OF AN EVICTION RIGHT TO COUNSEL IN BALTIMORE CITY (2020), https://bmorerentersunited.org/wp-content/uploads/2020/05/Baltimore-RTC-Report FINAL 5.8.2020.pdf;



# HB134 Eviction Sponsor Testimony 2022(final).pdf Uploaded by: Terri Hill

Position: FAV

#### TERRI L. HILL, M.D.

Legislative District 12
Baltimore and Howard Counties

Health and Government Operations Committee

Subcommittees
Government Operations and Health Facilities
Public Health and Minority Health Disparities



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#### THE MARYLAND HOUSE OF DELEGATES

**ANNAPOLIS, MARYLAND 21401** 

January 18, 2022

#### **SUPPORT**

HB134 - Failure to Pay Rent Proceedings - Sealing of Court Records

Dear Chairmen Barve and Clippinger, Vice-chairs Stein and Moon, and Members of the Joint Committee,

I am here to ask for your support for HB134 which allows for the sealing of certain eviction filing records in instances where a judgement for eviction was never made because, for instance, the debt was resolved before the hearing or the eviction filing was otherwise settled or dismissed or settled. This would help ensure that the filing of a failure-to-pay action does not carry the same long-term, potentially detrimental effects of an actual finding of a failure-to-pay or eviction itself. That is why your members and the House passed this legislation last year, and members of the Senate Judicial Proceedings Committee affirmed their support, had there been time for it to come to a vote.

This is a long-standing issue that, like many other injustices, was magnified during the pandemic. While many failure-to-pay filings for eviction are legitimate, others are not. Even when payments are made, debts settled and cases dismissed, these eviction proceedings remain on the tenant's record. Having an eviction proceeding on one's record can have unintended consequences that can affect the tenant's future housing options, job opportunities, and financing abilities. In November of 2020, 2,410 failure to pay rent proceedings were dismissed in court. In some cases filings are used to antagonize tenants for late payments and not for non-payment.

HB134 would allow the District Court to seal the court records of eviction proceedings that were settled or where cases are dismissed. Tenants can motion to seal the record one year after the proceeding has occurred and the District Court shall seal the record 30 days after granting the tenant's motion to seal.

I am asking that a committee amendment denying Section 8 voucher recipient from being eligible for sealing be removed, as the compliance with federal rules is adequately addressed through other mechanisms currently in place and the time during which a filing is available for the Public Housing Authority overseeing the program to obtained the information is more than adequate. There is also a co-sponsor amendment I would ask that you adopt.

I ask for a favorable vote on HB134 with sponsor's amendments.

#### TERRI L. HILL, M.D.

Legislative District 12
Baltimore and Howard Counties

Health and Government Operations Committee

Subcommittees

Government Operations and Health Facilities Public Health and Minority Health Disparities



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#### THE MARYLAND HOUSE OF DELEGATES

**ANNAPOLIS, MARYLAND 21401** 

Respectfully,

## MMHA - 2022 - HB 134 sealing of records.pdf Uploaded by: Aaron Greenfield

Position: FWA



Bill Title: House Bill 134, Failure to Pay Rent Proceedings – Prohibition on Rent

**Increases and Sealing of Court Records** 

**Committee: Environment and Transportation** 

**Date:** January 18, 2022

**Position:** Favorable with Amendments

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.

Under House Bill 134, a landlord may not increase a tenant's rent solely because a judgment was entered against the tenant in a failure to pay rent action. Further, within 60 days after the final resolution of a failure to pay rent proceeding, the District Court must seal all court records relating to the proceeding if the proceeding did not result in a judgment of possession. On motion by a tenant, the District Court may seal all court records relating to a failure to pay rent proceeding that results in a judgment of possession if the tenant demonstrates by a preponderance of the evidence that the tenant exercised the right of redemption and at least 12 months have passed since the final resolution of the proceeding that the tenant seeks to seal or the district court determines that it is in the interest of justice that the court records relating to the failure to pay rent proceedings be sealed. The District Court is required to seal the court records within 30 days after granting the tenant's motion to seal.

MMHA has no objection to shielding a landlord/tenant action if the final resolution resulted in a dismissal or order for the tenant in a judgment of repossession. MMHA is concerned that sealing records 60 days after the final resolution does not provide a prospective residential housing provider with an accurate picture of that prospective applicant. This is especially the case if that resident has failed to pay rent at one unit, is in the midst of looking for another and has exercised their right of redemption. MMHA requests an amendment to require shielding 90 days after the final resolution.

Amendment No. 1

On page 2, line 22, strike "60" insert "90"

For these reasons, we respectfully request a <u>favorable report with amendments</u> on House Bill 134.

Aaron J. Greenfield, MMHA Director of Government Affairs, 410.446.1992

# HPRP\_HB 134\_FWA.pdf Uploaded by: Carisa Hatfield Position: FWA



#### HOMELESS PERSONS REPRESENTATION PROJECT, INC.

### <u>Favorable With Amendments</u> – HB 134 – Failure to Pay Rent Proceedings – Prohibition on Rent Increases and Sealing of Court Records

#### Hearing of the Environment & Transportation Committee, January 18, 2022

The Homeless Persons Representation Project, Inc. (HPRP) is a non-profit civil legal aid organization that provides free legal representation to people who are homeless or at risk of homelessness on legal issues that will lead to an end to homelessness. HPRP regularly represents tenants in failure to pay rent cases and other landlord-tenant matters in Baltimore City.

The effort to legislate the sealing of eviction records is a growing movement nationwide. Since 2019, Massachusetts, Colorado, Nevada, the District of Columbia, Illinois, and Florida have all proposed legislation to seal eviction records. These jurisdictions have recognized that sealing records is not only a matter of protecting tenants' rights, but also an issue of racial justice – particularly for Black women, who face disproportionate levels of eviction both locally and nationwide.<sup>1</sup>

In a 2015 survey conducted by the Public Justice Center, ninety four percent (94%) of participant tenants who appeared for rent court in Baltimore City identified as African-American or Black, and eighty percent (80%) identified as women.<sup>2</sup> These numbers play out similarly with evictions in Baltimore City – a Black female-headed household is 296% more likely to be evicted there than a white male-headed household.<sup>3</sup> As stated by Matthew Desmond in a 2014 report on the state of evictions in Milwaukee, "[p]oor black men are locked up while poor black women are locked out." Sealing records is a powerful solution that work together to mitigate the harm of evictions and ensure that tenants are able to secure alternate housing and avoid homelessness.

Eviction records sealing benefits tenants by providing them the freedom to move to opportunity areas with safe and stable housing, where they have critical access to needs such as transportation, employment, healthcare, childcare, and more. When tenants cannot seal eviction

<sup>&</sup>lt;sup>1</sup> STOUT RISIUS ROSS, LLC, THE ECONOMIC IMPACT OF AN EVICTION RIGHT TO COUNSEL IN BALTIMORE CITY (2020), <a href="https://bmorerentersunited.org/wp-content/uploads/2020/05/Baltimore-RTC-Report\_FINAL\_5.8.2020.pdf">https://bmorerentersunited.org/wp-content/uploads/2020/05/Baltimore-RTC-Report\_FINAL\_5.8.2020.pdf</a>; Matthew Desmond, "Poor Black Women Are Evicted at Alarming Rates, Setting Off a Chain of Hardship" (2014), <a href="https://www.macfound.org/media/files/hhm">https://www.macfound.org/media/files/hhm</a> - poor black women are evicted at alarming rates.pdf; ACLU, "Clearing the Record: How Eviction Sealing Laws Can Advance Housing Access for Women of Color," <a href="https://www.aclu.org/news/racial-justice/clearing-the-record-how-eviction-sealing-laws-can-advance-housing-access-for-women-of-color/">https://www.aclu.org/news/racial-justice/clearing-the-record-how-eviction-sealing-laws-can-advance-housing-access-for-women-of-color/</a>.

<sup>&</sup>lt;sup>2</sup> PUBLIC JUSTICE CENTER, JUSTICE DIVERTED: HOW RENTERS ARE PROCESSED IN THE BALTIMORE CITY RENT COURT (2015); https://abell.org/sites/default/files/files/cd-justicediverted216.pdf

<sup>&</sup>lt;sup>3</sup> STOUT RISIUS ROSS, LLC, THE ECONOMIC IMPACT OF AN EVICTION RIGHT TO COUNSEL IN BALTIMORE CITY (2020), <a href="https://bmorerentersunited.org/wp-content/uploads/2020/05/Baltimore-RTC-Report\_FINAL\_5.8.2020.pdf">https://bmorerentersunited.org/wp-content/uploads/2020/05/Baltimore-RTC-Report\_FINAL\_5.8.2020.pdf</a>
<sup>4</sup> Matthew Desmond, "Poor Black Women Are Evicted at Alarming Rates, Setting Off a Chain of Hardship" (2014), <a href="https://www.macfound.org/media/files/hhm">https://www.macfound.org/media/files/hhm</a> - poor black women are evicted at alarming rates.pdf

records, even when the courts ultimately ruled in their favor or they successfully redeemed the property, they are often forced to move into any housing that will accept them, which may be substandard or unsafe.

HB 134 would seal eviction records in failure to pay rent cases where either the courts ruled in their favor, dismissed the matter, or the tenant exercised their right to redeem their property. It is an important first step to ensure that Maryland renters have opportunities that are not currently available to them.

HPRP supports HB 134 with two critical amendments: 1) to remove language excluding subsidized tenants from the essential protections that HB 134 provides; and 2) to include within the bill a definition of sealing.

#### **Amend HB 134 to Remove Language Excluding Subsidized Tenants**

The bill, as currently written, would exclude tenants who reside in federally assisted housing from the opportunities presented by HB 134. This exclusion does not have a basis in federal law governing mandatory admission denials, which typically are based in a tenant's criminal background rather than a tenant's history of rental payments.<sup>5</sup> While a federally assisted housing project *may* consider a tenant's prior rental payment history<sup>6</sup>, it has no obligation to do so. This makes the process of reviewing eviction records for prospective tenants in federally assisted housing unnecessary to proceed with approval. Indeed, such reviews of records place even more significant barriers on families attempting to enter or remain in federally-subsidized programs, who are already qualified for these programs based on their status as families with extremely low income.

Tenants in federally assisted housing have certain requirements around recertification of their income on an annual basis or as their household income changes, which informs the amount of their monthly rental portion. HPRP has encountered many tenants in federally assisted housing have struggled to complete these annual recertifications during the COVID-19 pandemic due to closures of state agencies and inaccessibility of on-site property management offices to complete recertification processes. As a result, tenants who may have lost employment or other income during the pandemic may face delays of weeks or even months before their monthly rental portion is adjusted to reflect their current household income. This leaves those renters struggling to catch up on back rent for months where they were unemployed or otherwise faced income loss. HB 134 should support federally subsidized tenants just as it does unsubsidized tenants in sealing their records.

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<sup>&</sup>lt;sup>5</sup> See 24 CFR §982.553, 24 CFR §960.204.

<sup>&</sup>lt;sup>6</sup> 24 CFR §960.203.

#### Amend HB 134 to Provide a Definition of Sealing

HB 134, as currently written, does not provide a definition of records sealing. This change is simple to implement by incorporating and modifying a similar definition provided in HB 697 from the 2021 session.<sup>7</sup> which is as follows:

With these amendments, HB 134 would take essential steps to protect renters' privacy, allow easier access to safe and stable housing, and promote racial justice.

HPRP urges a favorable with amendments report on HB 134.

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<sup>&</sup>lt;sup>7</sup> See proposed language in Attachment A.

#### ATTACHMENT A—DEFINITION OF SEALING

"COURT RECORD" MEANS AN OFFICIAL RECORD OF A COURT ABOUT A PROCEEDING THAT THE CLERK OF A COURT OR OTHER COURT PERSONNEL KEEPS.

"COURT RECORD" INCLUDES:

- 1. AN INDEX, A DOCKET ENTRY, A PETITION, A MEMORANDUM, A TRANSCRIPTION OF PROCEEDINGS, AN ELECTRONIC RECORDING, AN ORDER, AND A JUDGMENT; AND
- 2. ANY ELECTRONIC INFORMATION ABOUT A PROCEEDING ON THE WEBSITE MAINTAINED BY THE MARYLAND JUDICIARY.

"SEALING" MEANS TO REMOVE INFORMATION FROM PUBLIC INSPECTION IN ACCORDANCE WITH THIS SECTION. 'SEAL' INCLUDES:

- 1. WITH RESPECT TO A RECORD KEPT IN A COURTHOUSE, TO REMOVE THE RECORD TO A SEPARATE SECURE AREA TO WHICH PERSONS WHO DO NOT HAVE A LEGITIMATE REASON FOR ACCESS ARE DENIED ACCESS; AND
- 2. WITH RESPECT TO ELECTRONIC INFORMATION ABOUT A PROCEEDING ON THE WEBSITE MAINTAINED BY THE MARYLAND JUDICIARY, TO COMPLETELY REMOVE ALL INFORMATION CONCERNING THE PROCEEDING FROM THE PUBLIC WEBSITE, INCLUDING THE NAMES OF THE PARTIES, CASE NUMBERS, AND ANY REFERENCE TO THE PROCEEDING OR ANY REFERENCE TO THE REMOVAL OF THE PROCEEDING FROM THE PUBLIC WEBSITE.

### **HB134 - FWA - Public Justice Center.pdf**Uploaded by: Charisse Lue

Position: FWA



Charisse Lue
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HB 134 - Landlord and Tenant - Residential Leases - Failure to Pay Rent Proceedings-Prohibition on Rent Increases and Sealing of Court Records

Hearing before the House Environment and Transportation Committee, Jan. 18, 2022

Position: FAVORABLE WITH AMENDMENTS

The Public Justice Center (PJC) is a nonprofit public interest law firm that stands with tenants to protect and expand their rights to safe, habitable, affordable, and non-discriminatory housing and their rights to fair and equal treatment by Maryland's landlord-tenant laws, courts, and agencies. We advocate to change the law regarding evictions and to demand the development of equitable and sustainable affordable housing. PJC strongly supports with the proposed amendments HB 134 as a critical measure to protect renters' privacy, allow easier access to safe and stable housing, and promote racial justice. We believe the eviction records sealing achieves that goal.

HB 134 allows the sealing of eviction records in failure to pay rent cases ("FTPR"). There were nearly 670,000 of these cases filed across Maryland in FY 2019, and around 1 in 4 of them were dismissed, presumably because payment preceded the trial date of the action. For many tenants, FTPR actions are routinely filed and typically result *not* in actual eviction, but late payment made under the threat of eviction. Fewer than half of FTPR cases even result in warrant of restitution.

The routine filings nonetheless show up on tenants' consumer and rental history. Vendors such as CoreLogic and AppFolio access physical and electronic court records to produce data points that they then sell as risk assessments. A tenant who successfully redeemed possession by payment is ultimately harmed by the record of the FTPR action when they are seeking new housing. **HB 134 proposes to reduce the loss of housing opportunities based on failure to pay rent records.** For cases that are dismissed or where judgment is entered in favor of the tenant, the bill proposes to seal the eviction record 60 days after final disposition.

For tenants whose landlord prevails in a failure to pay rent action, HB 134 provides for the sealing of the record if the tenant demonstrates that either: 1) the tenant exercised the right of redemption ("pay to stay") and one year has passed since the judgment was entered; or 2) the interest of justice is served by sealing the record of the adverse judgment. Having the opportunity to seal these records after one year will open the door to opportunities that were once closed to many tenants.

The effort to legislate the sealing of eviction records is a growing movement nationwide. Since 2019, Massachusetts, Colorado, Nevada, and the District of Columbia have all proposed legislation to seal eviction records. These jurisdictions have recognized that sealing (as well as shielding) records is not only a matter of protecting tenants' rights, but also an issue of racial justice - particularly for Black women, who face disproportionate levels of eviction both locally and nationwide.<sup>1</sup>

In a 2015 survey conducted by the Public Justice Center, ninety four percent (94%) of participant tenants who appeared for rent court in Baltimore City identified as African-American or Black, and eighty percent (80%) identified as women.<sup>2</sup> These numbers play out similarly with evictions in Baltimore City – a Black female-headed household is 296% more likely to be evicted there than a white male-headed household.<sup>3</sup> As stated by Matthew Desmond in a 2014 report on the state of evictions in Milwaukee, "[p]oor black men are locked up while poor black women are locked out."4

Sealing records are a powerful solution that work together to mitigate the harm of evictions and ensure that tenants are able to secure alternate housing and avoid homelessness.

Public Justice Center supports HB 134 with two critical amendments: 1) to remove language excluding subsidized tenants from the essential protections that HB 134 provides; and 2) to include within the bill a definition of sealing.

#### Amend HB 134 to Remove Language Excluding Subsidized Tenants

The bill, as currently written, would exclude tenants who reside in federally assisted housing from the opportunities presented by HB 134. This exclusion does not have a basis in federal law governing mandatory admission denials, which typically are based in a tenant's criminal background rather than a tenant's history of rental payments. 4 While a federally assisted housing project may consider a tenant's prior rental payment history<sup>5</sup>, it has no obligation to do so.

In fact, the U.S. Interagency Council on Homelessness's 2013 guidance, "PHA Guide to Modifying Tenant Screening and Eligibility Policies and Procedures" (attached), describes that "[m]any PHAs are taking

The Public Justice Center is a 501(c)(3) charitable organization and as such does not endorse or oppose any political party or candidate for elected office.

<sup>&</sup>lt;sup>1</sup> STOUT RISIUS ROSS, LLC, THE ECONOMIC IMPACT OF AN EVICTION RIGHT TO COUNSEL IN BALTIMORE CITY https://bmorerentersunited.org/wp-content/uploads/2020/05/Baltimore-RTC-Report FINAL 5.8.2020.pdf; Matthew Desmond, "Poor Black Women Are Evicted at Alarming Rates, Setting Off a Chain of Hardship" (2014), https://www.macfound.org/media/files/hhm - poor black women are evicted at alarming rates.pdf; ACLU, "Clearing the Record: How Eviction Sealing Laws Can Advance Housing Access for Women of Color," https://www.aclu.org/news/racial-justice/clearing-the-record-how-eviction-sealing-laws-can-advance-housingaccess-forwomen-of-color/.

<sup>&</sup>lt;sup>2</sup> Public Justice Center, Justice Diverted: How Renters Are Processed in the Baltimore City Rent Court (2015); https://abell.org/sites/default/files/files/cd-justicediverted216.pdf

<sup>&</sup>lt;sup>3</sup> STOUT RISIUS ROSS, LLC, THE ECONOMIC IMPACT OF AN EVICTION RIGHT TO COUNSEL IN BALTIMORE CITY (2020), https://bmorerentersunited.org/wp-content/uploads/2020/05/Baltimore-RTC-Report FINAL 5.8.2020.pdf 4 Matthew Desmond, "Poor Black Women Are Evicted at Alarming Rates, Setting Off a Chain of Hardship" (2014), https://www.macfound.org/media/files/hhm - poor black women are evicted at alarming rates.pdf

<sup>&</sup>lt;sup>4</sup> See 24 CFR §982.553, 24 CFR §960.204.

<sup>&</sup>lt;sup>5</sup> 24 CFR §960.203.

steps to modify policies and procedures in order to reduce or remove these barriers. Federal law gives substantial flexibility to PHAs and housing providers to adopt local policies regarding criminal backgrounds and other screening criteria." There is no federal requirement on PHAs to review eviciton records in the screening of prospective tenants for federally assisted housing. Indeed, such reviews of records place even more significant barriers on families attempting to enter or remain in federally subsidized programs, who are already qualified for these programs based on their status as families with extremely low income.

Tenants in federally assisted housing have certain requirements around recertification of their income on an annual basis or as their household income changes, which informs the amount of their monthly rental portion. Many tenants in federally assisted housing have struggled to complete these annual recertifications during the COVID-19 pandemic due to closures of state agencies and inaccessibility of on-site property management offices to complete recertification processes. As a result, tenants who may have lost employment or other income during the pandemic may face delays of weeks or even months before their monthly rental portion is adjusted to reflect their current household income. This leaves those renters struggling to catch up on back rent for months where they were unemployed or otherwise faced income loss. HB 134 should support federally subsidized tenants just as it does unsubsidized tenants in sealing their records.

#### Amend HB 134 to Provide a Definition of Sealing

HB 134, as currently written, does not provide a definition of records sealing. This change is simple to implement by incorporating and modifying a similar definition provided in HB 697 from the 2021 session.<sup>6</sup> which is as follows:

"COURT RECORD" MEANS AN OFFICIAL RECORD OF A COURT ABOUT A PROCEEDING THAT THE CLERK OF A COURT OR OTHER COURT PERSONNEL KEEPS.

"COURT RECORD" INCLUDES:

- 1. AN INDEX, A DOCKET ENTRY, A PETITION, A MEMORANDUM, A TRANSCRIPTION OF PROCEEDINGS, AN ELECTRONIC RECORDING, AN ORDER, AND A JUDGMENT; AND
- 2. ANY ELECTRONIC INFORMATION ABOUT A PROCEEDING ON THE WEBSITE MAINTAINED BY THE MARYLAND JUDICIARY.

"SEALING" MEANS TO REMOVE INFORMATION FROM PUBLIC INSPECTION IN ACCORDANCE WITH THIS SECTION. 'SEAL' INCLUDES:

- 1. WITH RESPECT TO A RECORD KEPT IN A COURTHOUSE, TO REMOVE THE RECORD TO A SEPARATE SECURE AREA TO WHICH PERSONS WHO DO NOT HAVE A LEGITIMATE REASON FOR ACCESS ARE DENIED ACCESS; AND
- 2. WITH RESPECT TO ELECTRONIC INFORMATION ABOUT A PROCEEDING ON THE WEBSITE MAINTAINED BY THE MARYLAND JUDICIARY, TO COMPLETELY REMOVE ALL INFORMATION CONCERNING THE PROCEEDING FROM THE PUBLIC WEBSITE, INCLUDING THE

<sup>&</sup>lt;sup>6</sup> See proposed language in Attachment A.

The Public Justice Center is a 501(c)(3) charitable organization and as such does not endorse or oppose any political party or candidate for elected office.

### NAMES OF THE PARTIES, CASE NUMBERS, AND ANY REFERENCE TO THE PROCEEDING OR ANY REFERENCE TO THE REMOVAL OF THE PROCEEDING FROM THE PUBLIC WEBSITE.

With these amendments, HB 134 would take essential steps to protect renters' privacy, allow easier access to safe and stable housing, and promote racial justice.

Public Justice Center is a member of the Renters United Maryland coalition and asks that the Committee issue a FAVORABLE WITH AMENDMENT report on HB134. If you have any questions, please contact Charisse Lue, Luec@publicjustice.org (410) 625-9409 Ext. 245.

## PHA\_TenantScreening.pdf Uploaded by: Charisse Lue

Position: FWA



### PHA GUIDE TO MODIFYING TENANT SCREENING AND ELIGIBILTY POLICIES AND PROCEDURES

#### **Background**

Public Housing Agency (PHA) policies and procedures regarding tenant screening can be a significant obstacle for many people experiencing or at risk of homelessness, and particularly for people with disabilities who experience homelessness.

Many restrictive policies are set at the local level, are not required by Federal law or regulations, and can be changed through local processes. Some PHAs have modified their tenant screening criteria and procedures in an effort to reduce barriers to housing access for people experiencing homelessness, particularly for people who have had contact with the criminal justice system as a result of problems with mental illness or substance use.

#### **Removing Barriers**

Incarceration and homelessness are highly interrelated, as difficulties in reintegrating into the community increase the risk of homelessness for released prisoners, and homelessness increases the risk for re-incarceration. Sometimes people come in contact with the criminal justice system because of behaviors related to the symptoms of untreated mental illness or other disabling conditions.

However, contrary to common assumptions, a person's criminal background <u>does not predict</u> <u>whether that person will succeed or fail at staying housed</u>. HUD has provided encouragement to PHAs, including this <u>letter the Secretary of HUD sent to all PHA Executive Directors</u>, to review their policies related to criminal history and consider more flexible, reasonable admissions policies that balance safety concerns with the importance of providing individuals a second chance at improving their lives and becoming productive citizens.

For most PHAs, the standard approach to tenant screening is to deny housing assistance to applicants with an outstanding debt owed to the PHA or with records of prior arrests or convictions. Some PHAs use additional screening procedures and criteria, such as credit history or landlord references, and this can create barriers to housing access for persons experiencing homelessness.

Many PHAs are taking steps to modify policies and procedures in order to reduce or remove these barriers. Federal law gives substantial flexibility to PHAs and housing providers to adopt local policies regarding criminal backgrounds and other screening criteria.

Some PHAs and providers of other federally subsidized housing have adopted policies that are more restrictive than the requirements of Federal law, creating significant obstacles to housing for many people who experience chronic homelessness. While some PHAs have very restrictive policies, others have modified their policies and procedures in an effort to reduce barriers for people who have spent time in jails and prisons.

#### **Consider Individual Factors**

PHAs should consider individual factors, when making admissions decisions based on unfavorable information about an applicant. For example, in public housing or the Housing Choice Voucher program, in determining whether to deny admission because of the action of a family member that would normally screen a household out of the program, the PHA may consider all relevant circumstances.

These circumstances can include the time, nature, and seriousness of the case, the extent of participation or culpability of individual family members, mitigating circumstances related to the disability of a family member, and the effects of denial on other family members who were not involved in the action. Consideration may be given to factors that might indicate a reasonable probability of favorable future conduct, including evidence of rehabilitation and the applicant's willingness to participate in social services.

For example, some PHAs may initially deny applications for housing for all households with criminal backgrounds, but have appeal procedures that allow for a case-by-case review of circumstances, including evidence of rehabilitation.

A PHA may partner with an organization that serves people with mental illness or people experiencing homelessness, to create a non-adversarial process for considering whether a person's disability contributed to the problems. This would be a reasonable accommodation for persons with disabilities who might otherwise be screened out of housing assistance because of a prior eviction or contact with the criminal justice system,

Through taking this information into consideration, a housing application can be approved, particularly if services and supports are available to help the person succeed as a tenant. This is another approach through which PHAs and supportive service providers may work together to make it possible to use vouchers for people experiencing homelessness.

In some communities there are <u>problem-solving courts</u>, such as Mental Health Courts, Homeless Courts, or Veterans Courts, that provide opportunities for people experiencing homelessness to clear outstanding warrants or resolve criminal charges that could be barriers to eligibility for housing assistance.

Some people experiencing homelessness have debts they owe to the PHA that would be an obstacle to eligibility for housing assistance. PHAs and their community partners may use flexible funding to pay off these debts and remove this barrier. For example, the Salt Lake City Housing Authority used Homelessness Prevention and Rapid Re-Housing Program funds to help families re-pay past debts to PHAs so that they could obtain rental assistance.

#### Where Can PHAs Do This?

All PHAs can consider making modifications to tenant screening and eligibility policies and procedures to remove barriers to housing assistance for individuals and families experiencing or most at risk of homelessness.

#### Who Can PHAs Assist?

Modifications of tenant screening and eligibility policies and procedures can have a large impact on removing barriers to assistance for Veterans and persons who are experiencing chronic homelessness, who have mental illness or other disabilities, including co-occurring substance use problems, and/or who have been involved with the criminal justice system.

This strategy will also reduce barriers to housing for families who are experiencing homelessness, particularly if the household includes or is seeking to reunify with a family member who has been incarcerated.

However, it is important to note that when a PHA modifies tenant screening criteria for its public housing or Housing Choice Vouchers program, it modifies screening criteria for all applicants to public housing or the Housing Choice Voucher program. Therefore, if a PHA is not comfortable or willing to revise its general screening criteria, the PHA is strongly encouraged to consider mitigating circumstances.

#### **Additional Resources**

- In June 2013, HUD issued <a href="HUD PIH Notice 2013-15">HUD PIH Notice 2013-15</a>: Guidance on housing individuals and families experiencing homelessness through the Public Housing and Housing Choice Voucher programs. In this notice HUD notes that a PHA wishing to serve more people experiencing homelessness may consider reviewing their discretionary admission policies to determine if any changes can be made to remove barriers. The notice also provides information about how PHAs can consider relevant circumstances and other individual factors as part of the admissions process.
- In June 2011, the Secretary of HUD sent a <u>letter to all PHA executive directors</u>, describing the laws and policies regarding screening potential tenants based on criminal activity. While the focus of this letter was primarily on ex-offenders seeking to reunify with family members living in public housing or receiving voucher assistance, the encouragement to offer a second chance to allow ex-offenders a place to live may provide a helpful signal to

PHAs regarding more-flexible policies that reduce barriers for people experiencing homelessness.

- The **Federal Interagency Reentry Council** also published a <u>"Myth Buster" fact sheet</u> clarifying Federal policies regarding eligibility for housing assistance for people who have been convicted of a crime.
- The Legal Action Center has published <u>Safe at Home: A Reference Guide for Public Housing Officials on the Federal Housing Laws Regarding Admission and Eviction Standards for People with Criminal Records.</u>

#### Examples

• The **Housing Authority of the City of Los Angeles** (HACLA) modified its tenant screening policies in collaboration with advocacy organizations working to end homelessness. By making changes to local policies that were more restrictive than those required by federal law, HACLA has been able to significantly reduce barriers to using Housing Choice Vouchers for people experiencing chronic homelessness, and those who may have had contact with the criminal justice system because of behaviors related to the symptoms of mental illness or other disabilities.

Through the Section 8 Administrative Plan process, HACLA sharply reduced the number of years for denial of admission due to criminal convictions, permitted treatment options for drug and alcohol related convictions, and eliminated some kinds of criminal activity from the list of denial reasons altogether for homeless applicants. When HUD PIH-Notice 2013-15 made clear that homeless admission criteria may not differ from the standards for other applicants, HACLA amended its Administrative Plan to reduce the admission barriers for all applicants.

HACLA also created a "Moving On" preference by including an admission preference in the Housing Choice Voucher program for formerly homeless Shelter Plus Care residents who have stabilized their lives in that program and no longer require the supportive housing environment in order to maintain their housing. Transfer to the voucher program enables people who previously experienced homelessness to exercise tenant mobility and move on with their lives, and this frees up their supportive housing unit for a new person experiencing chronic homelessness who needs it.

#### **Examples (continued)**

- The **Housing Authority of the City of Dallas**, Texas revised the PHA's tenant screening standards to conform to the federal requirements. This revision eliminated some standards that had created barriers to using PHA programs to assist people experiencing homelessness. The Housing Authority's Executive Director participates as a member of the board that governs the Continuum of Care for Metro Dallas, and the decision was informed and motivated by her involvement in the region's collaborative efforts to end homelessness.
- The **Seattle Housing Authority** (SHA) changed its tenant screening criteria in an effort to reduce barriers to housing for people experiencing homelessness. Before making the change, SHA had required a variable waiting period after an applicant has been released from incarceration. This waiting period ranged from two years to 20 years, depending upon the type of offense. Instead SHA adopted a uniform time of 12 months following release from incarceration. A profile is included in the CSH PHA toolkit, including the resolution adopted by SHA's Board of Commissioners, the background memo for the Board of Commissioners explaining the rationale for the proposed policy change, and the changes SHA made to its Administrative Plan.

# HB 134-AOBA--FWA.pdf Uploaded by: Frann Francis Position: FWA



Bill No: HB 134—Failure to Pay Rent Proceedings- Prohibition on Rent

**Increases and Sealing of Court Records** 

**Committee:** Environment and Transportation

Date: 1/18/2022

Position: Favorable with Amendments

The Apartment and Office Building Association of Metropolitan Washington (AOBA) represents members that own or manage more than 23 million square feet of commercial office space and 133,000 apartment rental units in Montgomery and Prince George's Counties.

House Bill 134 requires the District Court to seal all court records relating to a failure to pay rent proceeding within 60 days after the final resolution of the eviction proceeding if the case does not result in a judgement of possession. Additionally, by motion of a tenant, the District Court may seal records if: (1) the District Court determines that it is in the interest of justice that the court records relating to failure to pay rent be sealed; (2) the tenant establishes a preponderance of evidence that the tenant exercised the right of redemption and at least 12 months have passed since the final resolution of the proceeding.

AOBA understands the need to shield court records if the case was dismissed or the unit was not repossessed. However, the Association is concerned with sealing records 60 days after the final resolution from the Court. The 60-day timeframe does not provide housing providers sufficient time to thoroughly vet prospective residents, especially applicants that have demonstrated a failure to pay rent at one unit and are in the process of looking for another unit. AOBA supports an amendment to increase the timeframe for sealing records from 60 to 90 days.

#### Amendment No. 1

On page 2, line 22, strike "60" insert "90"

For these reasons, AOBA requests a favorable with amendment report on HB 134. For further information contact Ryan Washington, AOBA Government Affairs Manager, at 301-904-0814 or <a href="mailto:ebradley@aoba-metro.org">ebradley@aoba-metro.org</a>.

# HB 134 RU2022 - FWA .pdf Uploaded by: Gwen DuBois Position: FWA



### <u>Favorable With Amendments</u> – HB 134 – Failure to Pay Rent Proceedings – Prohibition on Rent Increases and Sealing of Court Records

#### Hearing of the Environment & Transportation Committee, January 18, 2022

The Chesapeake Physicians for Social Responsibility (CPSR) is statewide evidenced-based, organization of over 800 physicians. other health professionals and supporters, that addresses the existential public health threats: nuclear weapons, the climate crisis and the issues of pollution and toxics' effect on health as seen through the intersectional lens of environmental, social and racial justice. As an organization founded by physicians, we understand that prevention is far superior to treatment in reducing costs; death, illness, injury, and suffering.

The effort to legislate the sealing of eviction records is a growing movement nationwide. Since 2019, Massachusetts, Colorado, Nevada, the District of Columbia, Illinois, and Florida have all proposed legislation to seal eviction records. These jurisdictions have recognized that sealing records is not only a matter of protecting tenants' rights, but also an issue of racial justice – particularly for Black women, who face disproportionate levels of eviction both locally and nationwide.<sup>1</sup>

In adults, eviction fillings are associated with increased suicides and even before Covid 19, low birth weight, premature births and increased infant mortality were all associated with eviction filings as well as evictions<sup>2</sup>. Housing is "health" and housing insecurity is associated with poor health. From a recent article by Desmond, "**eviction records have durable consequences** on the lives of tenants and repeated filings create barriers to future mobility. Nearly every landlord we interviewed claimed to categorically reject applicants with any negative rental history, be it

<sup>&</sup>lt;sup>1</sup> STOUT RISIUS ROSS, LLC, THE ECONOMIC IMPACT OF AN EVICTION RIGHT TO COUNSEL IN BALTIMORE CITY (2020), <a href="https://bmorerentersunited.org/wp-content/uploads/2020/05/Baltimore-RTC-Report FINAL 5.8.2020.pdf">https://bmorerentersunited.org/wp-content/uploads/2020/05/Baltimore-RTC-Report FINAL 5.8.2020.pdf</a>; Matthew Desmond, "Poor Black Women Are Evicted at Alarming Rates, Setting Off a Chain of Hardship" (2014), <a href="https://www.macfound.org/media/files/hhm\_-poor\_black\_women\_are\_evicted\_at\_alarming\_rates.pdf">https://www.macfound.org/media/files/hhm\_-poor\_black\_women\_are\_evicted\_at\_alarming\_rates.pdf</a>; ACLU, "Clearing the Record: How Eviction Sealing Laws Can Advance Housing Access for Women of Color," <a href="https://www.aclu.org/news/racial-justice/clearing-the-record-how-eviction-sealing-laws-can-advance-housing-access-for-women-of-color/">https://www.aclu.org/news/racial-justice/clearing-the-record-how-eviction-sealing-laws-can-advance-housing-access-for-women-of-color/</a>.

 $<sup>^2\</sup> https://www.healthaffairs.org/do/10.1377/hpb20210315.747908/full/health-affairs-brief-appendix-eviction-health-himmelstein.pdf$ 

money owed or an eviction filing, even those that did not culminate in an eviction judgement.<sup>3</sup>"

In a 2015 survey conducted by the Public Justice Center, ninety four percent (94%) of participant tenants who appeared for rent court in Baltimore City identified as African-American or Black, and eighty percent (80%) identified as women.<sup>4</sup> These numbers play out similarly with evictions in Baltimore City – a Black female-headed household is 296% more likely to be evicted there than a white male-headed household.<sup>5</sup> As stated by Matthew Desmond in a 2014 report on the state of evictions in Milwaukee, "poor black men are locked up while poor black women are locked out." Sealing records is a powerful solution that work together to mitigate the harm of evictions and ensure that tenants are able to secure alternate housing and avoid homelessness.

Eviction records sealing benefits tenants by providing them the freedom to move to opportunity areas with safe and stable housing, where they have critical access to needs such as transportation, employment, healthcare, childcare, and more. When tenants cannot seal eviction records, even when the courts ultimately ruled in their favor or they successfully redeemed the property, they are often forced to move into any housing that will accept them, which may be substandard or unsafe.

HB 134 would seal eviction records in failure to pay rent cases where either the courts ruled in their favor, dismissed the matter, or the tenant exercised their right to redeem their property. It is an important first step to ensure that Maryland renters have opportunities that are not currently available to them.

Chesapeake Physicians for Social Responsibility supports HB 134 with two critical amendments: 1) to remove language excluding subsidized tenants from the essential protections that HB 134 provides; and 2) to include within the bill a definition of sealing.

#### **Amend HB 134 to Remove Language Excluding Subsidized Tenants**

The bill, as currently written, would exclude tenants who reside in federally assisted housing from the opportunities presented by HB 134. This exclusion does not have a basis in federal law governing mandatory admission denials, which typically are based in a tenant's criminal background rather than a tenant's history of rental payments. While a federally assisted housing project *may* consider a tenant's prior rental payment history<sup>8</sup>, it has no obligation to do so. This

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<sup>&</sup>lt;sup>3</sup> Serial Eviction Filing: Civil Courts, Property Management, and the Threat of Displacement <u>Lillian Leung</u>, <u>Peter Hepburn</u>, <u>Matthew Desmond</u> *Social Forces*, Volume 100, Issue 1, September 2021, Pages 316–344, <a href="https://doi-org.proxy1.library.jhu.edu/10.1093/sf/soaa089">https://doi-org.proxy1.library.jhu.edu/10.1093/sf/soaa089</a>

<sup>&</sup>lt;sup>4</sup> PUBLIC JUSTICE CENTER, JUSTICE DIVERTED: HOW RENTERS ARE PROCESSED IN THE BALTIMORE CITY RENT COURT (2015); https://abell.org/sites/default/files/files/cd-justicediverted216.pdf

 $<sup>^5\,</sup>STOUT\,RISIUS\,ROSS, LLC, THE\,ECONOMIC\,IMPACT\,OF\,AN\,EVICTION\,RIGHT\,TO\,COUNSEL\,IN\,BALTIMORE\,CITY\,\\ (2020), \\ \underline{https://bmorerentersunited.org/wp-content/uploads/2020/05/Baltimore-RTC-Report\,FINAL\,5.8.2020.pdf}$ 

<sup>&</sup>lt;sup>6</sup> Matthew Desmond, "Poor Black Women Are Evicted at Alarming Rates, Setting Off a Chain of Hardship" (2014), https://www.macfound.org/media/files/hhm - poor black women are evicted at alarming rates.pdf

<sup>&</sup>lt;sup>7</sup> See 24 CFR §982.553, 24 CFR §960.204.

<sup>8 24</sup> CFR §960.203.

makes the process of reviewing eviction records for prospective tenants in federally assisted housing unnecessary to proceed with approval. Indeed, such reviews of records place even more significant barriers on families attempting to enter or remain in federally-subsidized programs, who are already qualified for these programs based on their status as families with extremely low income.

Tenants in federally assisted housing have certain requirements around recertification of their income on an annual basis or as their household income changes, which informs the amount of their monthly rental portion. Many tenants in federally assisted housing have struggled to complete these annual recertifications during the COVID-19 pandemic due to closures of state agencies and inaccessibility of on-site property management offices to complete recertification processes. As a result, tenants who may have lost employment or other income during the pandemic may face delays of weeks or even months before their monthly rental portion is adjusted to reflect their current household income. This leaves those renters struggling to catch up on back rent for months where they were unemployed or otherwise faced income loss. HB 134 should support federally subsidized tenants just as it does unsubsidized tenants in sealing their records.

#### Amend HB 134 to Provide a Definition of Sealing

HB 134, as currently written, does not provide a definition of records sealing. This change is simple to implement by incorporating and modifying a similar definition provided in HB 697 from the 2021 session.<sup>9</sup> which is as follows:

With these amendments, HB 134 would take essential steps to protect renters' privacy, allow easier access to safe and stable housing, and promote racial justice.

Chesapeake Physicians for Social Responsibility is a member of Renters United and urges a favorable with amendments report on HB 134.

#### ATTACHMENT A—DEFINITION OF SEALING

"COURT RECORD" MEANS AN OFFICIAL RECORD OF A COURT ABOUT A PROCEEDING THAT THE CLERK OF A COURT OR OTHER COURT PERSONNEL KEEPS.

"COURT RECORD" INCLUDES:

- 1. AN INDEX, A DOCKET ENTRY, A PETITION, A MEMORANDUM, A TRANSCRIPTION OF PROCEEDINGS, AN ELECTRONIC RECORDING, AN ORDER, AND A JUDGMENT; AND
- 2. ANY ELECTRONIC INFORMATION ABOUT A PROCEEDING ON THE WEBSITE MAINTAINED BY THE MARYLAND JUDICIARY.

"SEALING" MEANS TO REMOVE INFORMATION FROM PUBLIC INSPECTION IN ACCORDANCE WITH THIS SECTION. 'SEAL' INCLUDES:

<sup>&</sup>lt;sup>9</sup> See proposed language in Attachment A.

- 1. WITH RESPECT TO A RECORD KEPT IN A COURTHOUSE, TO REMOVE THE RECORD TO A SEPARATE SECURE AREA TO WHICH PERSONS WHO DO NOT HAVE A LEGITIMATE REASON FOR ACCESS ARE DENIED ACCESS; AND
- 2. WITH RESPECT TO ELECTRONIC INFORMATION ABOUT A PROCEEDING ON THE WEBSITE MAINTAINED BY THE MARYLAND JUDICIARY, TO COMPLETELY REMOVE ALL INFORMATION CONCERNING THE PROCEEDING FROM THE PUBLIC WEBSITE, INCLUDING THE NAMES OF THE PARTIES, CASE NUMBERS, AND ANY REFERENCE TO THE PROCEEDING OR ANY REFERENCE TO THE REMOVAL OF THE PROCEEDING FROM THE PUBLIC WEBSITE.

# HB 134\_Consumer Protection Division\_fwa\_2022.pdf Uploaded by: Kira Wilpone-Welborn

Position: FWA

BRIAN E. FROSH Attorney General

**ELIZABETH F. HARRIS**Chief Deputy Attorney General

CAROLYN QUATTROCKI Deputy Attorney General

Writer's Fax No.



### WILLIAM D. GRUHN Chief Consumer Protection Division

## STATE OF MARYLAND OFFICE OF THE ATTORNEY GENERAL CONSUMER PROTECTION DIVISION

Writer's Direct Dial No. 410-576-6986 kwilponewelborn@oag.state.md.us

January 14, 2022

To: The Honorable Kumar P. Barve

Chair, Environment and Transportation Committee

From: Kira Wilpone-Welborn, Assistant Attorney General

Consumer Protection Division

Re: House Bill 134 – Failure to Pay Rent Proceedings - Prohibition on Rent Increases and

Sealing of Court Records (SUPPORT WITH AMENDMENTS)

The Consumer Protection Division of the Office of the Attorney General supports House Bill 134 sponsored by Delegate Terri L. Hill with an amendment removing subsection (g)(I)(2)(II), which prevents the sealing of records involving a tenant who receives federal rental assistance. House Bill 134 requires the District Court to seal any court record from a failure to pay rent proceeding within sixty days if judgment for possession is not awarded to the landlord. Moreover, House Bill 134 allows a tenant to petition for the sealing of a prior failure to pay rent action when a tenant redeems possession of the property, or as justice requires.

Presently, failure to pay rent actions are available for public inspection and reporting regardless of the disposition of the case. As a result, the filing of failure to pay rent actions immediately appears on tenants' credit and other rental history records, but the ultimate disposition and the circumstances surrounding such filing are not necessarily included within such records, which can have a catastrophic impact on consumers' access to housing and less expensive credit. As the Washington Post has reported, even when a tenant is successful in defending a failure to pay rent filing, or has paid off any alleged debt and avoided a physical eviction, a tenant can still be denied subsequent rental housing due to the reporting of a prior eviction filing on credit reports and other background records, creating a constant cycle of housing insecurity. <sup>1</sup>

House Bill 134 seeks to break this cycle of housing insecurity by sealing court records from a failure to pay rent proceeding when a judgment of possession is not awarded to a landlord, thus

<sup>&</sup>lt;sup>1</sup> "The stimulus relieved short-term pain, but eviction's impact is a long haul" Washington Post, February 8, 2021.

The Honorable Kumar P. Barve House Bill 134 January 14, 2022 Page Two

limiting the dissemination of inaccurate or incomplete information to landlords that would create barriers to tenants seeking housing.

Moreover, House Bill 134 provides essential relief to Marylanders impacted by the ongoing COVID-19 Pandemic. Without House Bill 134, those evicted during the pandemic due to income loss or the unexpected and unfortunate loss of a loved one will face a barrier to securing new housing. House Bill 134 would minimize the long-term impacts of these unforeseen events and allow Maryland families to rebuild and stabilize.

While House Bill 134 seeks to remedy inaccurate and detrimental publicly available failure to pay rent eviction filings, House Bill 134 inappropriately prohibits the proposed sealing remedy to those receiving federal housing subsidies. As House Bill 134 only permits the sealing of records when a tenant successfully defends a complaint, when a tenant redeems the rental unit by paying all arrearages, or as justice requires, there is no compelling rationale to prohibit use of this vital remedy to those obtaining federal rental assistance. Indeed, individuals with incomes low enough to utilize federal housing assistance are those most in need of the grace and compassion House Bill 134 provides.

The Consumer Protection Division supports House Bill 134 with the proposed amendment and requests the Environment and Transportation Committee provide a favorable report with amendment.

cc: The Honorable Terri L. Hill Members, Judiciary Committee

# **HB 134 Testimony.pdf**Uploaded by: Maryland Legal Aid Position: FWA



### Maryland Legal Aid



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January 14, 2022

The Honorable Kumar P. Barve Environment & Transportation Committee Room 251, House Office Building Annapolis, Maryland 21401

RE: Maryland Legal Aid's Testimony in Support of (with Amendments)
House Bill 134 - Failure to Pay Rent Proceedings - Prohibition on Rent
Increases and Sealing of Court Records

Dear Chair Barve and Members of the Committee:

Thank you for the opportunity to testify in support of HB 134. 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's 12 offices serve residents in each of Maryland's 24 jurisdictions. MLA handles various civil legal matters, including family law, housing, public benefits, consumer law (e.g., bankruptcy and debt collection), and criminal record expungements to remove barriers to obtaining child custody, housing, a driver's license, and employment. Maryland Legal Aid supports HB 134 and asks that the committee give it a favorable report with the amendments outlined below.

This letter serves as notice that Gregory Countess, Esq. will testify in support of HB134 on behalf of MLA at Delegate Vaughn Stewart's request. This bill precludes a landlord from raising a tenant's rent because the landlord obtained a judgment for possession against the tenant. HB134 also allows for sealing court records related to failure to pay rent cases. This bill requires the District Court to seal court records related to a failure to pay rent case within 60 days after the final disposition of the failure to pay rent case, if the result is not a judgment for possession in favor of the landlord. Additionally, if the landlord obtains a judgment for possession for a failure to pay rent case, this bill permits tenants to request that the District Court seal court records, provided the tenant meets specific requirements. There is an exception, however, which is addressed below.

Currently, there is no mechanism in Maryland law for the sealing of any eviction proceedings. As such, these records remain open to the public for inspection indefinitely. The unlimited access to court records related to eviction proceedings serves as an obstacle to low-income clients looking to secure housing,

employment, and other basic human needs. Even when the tenant prevails in court, a failure to pay rent hearing remains open to the public for inspection. It is visible on the Maryland Judiciary Case Search Database. As a result, all eviction proceedings, including failure to pay rent cases, mark a renter's record permanently, regardless of the outcome or length of time that has passed.

These public, online court records often result in the denial of housing and employment. This bill expands the opportunities for low-income citizens to become employed and secure housing. Employers and landlords often utilize the public website maintained by the Maryland Judiciary to screen individuals. MLA clients recount that employers and landlords do not give much deference to the proceeding's disposition, but instead focus on the allegations in the landlord's filing or the mere fact that the landlord filed a case. The limited information available in the publicly searchable databases cannot provide adequate detail to evaluate a tenant's history. Clients consistently convey a sense of hopelessness and discouragement in their ability to obtain gainful employment or stable housing due to the mere filing of a failure to pay rent case being publicly available and accessible. This bill will directly impact many MLA clients and help remove obstacles for Marylanders seeking to better themselves, their families, and the community.

MLA supports this bill with an amendment to remove the exception under section (I)(2)(II), which precludes the District Court from sealing any failure to pay rent case that results in a judgment for possession for tenants living in federally subsidized housing. This exception detracts from the statute's purpose and will delay low-income Marylanders' ability to access opportunities. In other words, a tenant in federally subsidized housing has no chance of being forgiven for a late payment. This section strips the District Court's discretion and considers the tenant's circumstances for having not paid the rent, whether the tenant redeemed the judgment for possession, whether the tenant has made timely payments ever since, and other factors. An example of how this exception would operate is: Tenant A resides in federally subsidized and has paid rent on time for ten years. Tenant A became very ill and hospitalized and was therefore unable to pay rent for one month. The landlord obtains a judgment for possession against that tenant for not paying rent that month. Tenant A redeems the property and pays rent timely for five years. Under this hypothetical, Tenant A can never have that court record sealed simply because Tenant A resides in federally subsidized housing. This example demonstrates how the exception undermines the purpose of the statute.

Failure to pay rent proceedings do not tell the whole story of an individual. They tell the landlord's perception of a narrow window of time in a renter's life. A person's life and circumstances change over time. HB134 would encourage and empower individuals and show them that their past will not become a permanent bar to their future endeavors.

Thank you for considering this written testimony. Maryland Legal Aid urges a favorable report on House Bill 134 with the outlined amendment.

/S/

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## **HB134-FWA-Anna Levy, JUFJ.pdf** Uploaded by: Rianna Lloyd

Position: FWA

January 18, 2022

Anna T. Levy Rockville, MD 20852



#### TESTIMONY ON HB134 - POSITION: FAVORABLE WITH AMENDMENTS

Failure to Pay Rent Proceedings - Prohibition on Rent Increases and Sealing of Court Records

TO: Chair Barve, Vice Chair Stein, and members of the Environment and Transportation Committee

FROM: Anna T Levy on behalf of Jews United for Justice (JUFJ)

My name is Anna T Levy. I am a resident of District 16. On behalf of Jews United for Justice, I am submitting this testimony to support with amendments HB134, Failure to Pay Rent Proceedings - Prohibition on Rent Increases and Sealing of Court Records. Jews United for Justice organizes 6,000 Jews and allies from across Maryland in support of local social, racial, and economic justice campaigns.

Access to safe and stable housing has far reaching economic, health, and social benefits to individuals, families, and communities, and is a key to reducing racial inequities. Renters routinely have little agency when faced with threats to maintaining stable housing. One overdue rent payment can result in an eviction filing. As a Jewish person, I am taught that all people should have *dei machsoro*, resources sufficient for each person's needs. (Deut. 15:7-8) Consequently, society has an obligation to make sure that people are able to find affordable housing and are not penalized for failure to pay rent proceedings which were dismissed, otherwise resolved without eviction, or for inaccurate reportings.

Evictions are socially and financially destabilizing to individuals, families and our communities. A history of eviction filings, even when resolved without eviction, impacts a renter's ability to find new housing. Landlords are often unwilling to rent to people with a history of evictions or will raise a tenant's rent so that it becomes unaffordable.

The passage of HBI34 can help to resolve housing inequities, increase access to stable and safe housing and help Marylanders achieve financial stability after difficult times. By sealing court records of eviction filings for failure to pay rent that do not result in eviction, tenants are given the opportunity to move forward with their lives.

JUFJ supports HB134 with two critical amendments: I) to remove language excluding subsidized tenants from the essential protections that HB 134 provides; and 2) to include within the bill a definition of sealing. With these two amendments, HB134 would take critical steps to protect renters' privacy, allow easier access to safe and stable housing, and promote racial justice.

On behalf of Jews United for Justice, I respectfully urge a favorable report from the Committee on HB134 with amendments.

### **HB 134-Failure to Pay Rent Proceedings - Prohibiti** Uploaded by: Tonaeya Moore

Position: FWA



### HB 134 – Failure to Pay Rent Proceedings – Prohibition on Rent Increases and Sealing of Court Records January 18, 2022 <u>Favorable With Amendments</u>

Chairman Barve, Chairman Clippinger, Vice-Chairs, and members of the committees, thank you for the opportunity to provide testimony in support of House Bill 134. HB 134 would seal eviction records in failure to pay rent cases where either the courts ruled in their favor, dismissed the matter, or the tenant exercised their right to redeem their property. It is an important first step to ensure that Maryland renters have opportunities that are not currently available to them.

The CASH Campaign of Maryland promotes economic advancement for low-to-moderate income individuals and families in Baltimore and across Maryland. CASH accomplishes its mission through operating a portfolio of direct service programs, building organizational and field capacity, and leading policy and advocacy initiatives to strengthen family economic stability. CASH and its partners across the state achieve this by providing free tax preparation services through the IRS program 'VITA', offering free financial education and coaching, and engaging in policy research and advocacy. Almost 4,000 of CASH's tax preparation clients earn less than \$10,000 annually. More than half earn less than \$20,000.

The effort to legislate the sealing of eviction records is a growing movement nationwide. Since 2019, Massachusetts, Colorado, Nevada, the District of Columbia, Illinois, and Florida have all proposed legislation to seal eviction records. These jurisdictions have recognized that sealing records is not only a matter of protecting tenants' rights, but also an issue of racial justice – particularly for Black women, who face disproportionate levels of eviction both locally and nationwide.<sup>1</sup>

In a 2015 survey conducted by the Public Justice Center, ninety four percent (94%) of participant tenants who appeared for rent court in Baltimore City identified as African-American or Black, and eighty percent (80%) identified as women.<sup>2</sup> These numbers play out similarly with evictions in Baltimore City – a Black female-headed household is 296% more likely to be evicted there than a white male-headed household.<sup>3</sup> As stated by Matthew Desmond in a 2014 report on the state of evictions in Milwaukee, "[p]oor black men are locked up while poor black women are locked out."<sup>4</sup> Sealing records is a powerful solution that work together to mitigate the harm of evictions and ensure that tenants are able to secure alternate housing and avoid homelessness.

<sup>&</sup>lt;sup>1</sup> STOUT RISIUS ROSS, LLC, THE ECONOMIC IMPACT OF AN EVICTION RIGHT TO COUNSEL IN BALTIMORE CITY (2020), <a href="https://bmorerentersunited.org/wp-content/uploads/2020/05/Baltimore-RTC-Report\_FINAL\_5.8.2020.pdf">https://bmorerentersunited.org/wp-content/uploads/2020/05/Baltimore-RTC-Report\_FINAL\_5.8.2020.pdf</a>; Matthew Desmond, "Poor Black Women Are Evicted at Alarming Rates, Setting Off a Chain of Hardship" (2014), <a href="https://www.macfound.org/media/files/hhm">https://www.macfound.org/media/files/hhm</a> - poor black women are evicted at alarming rates.pdf; ACLU, "Clearing the Record: How Eviction Sealing Laws Can Advance Housing Access for Women of Color," <a href="https://www.aclu.org/news/racial-justice/clearing-the-record-how-eviction-sealing-laws-can-advance-housing-access-for-women-of-color/">https://www.aclu.org/news/racial-justice/clearing-the-record-how-eviction-sealing-laws-can-advance-housing-access-for-women-of-color/</a>.

<sup>&</sup>lt;sup>2</sup> PUBLIC JUSTICE CENTER, JUSTICE DIVERTED: HOW RENTERS ARE PROCESSED IN THE BALTIMORE CITY RENT COURT (2015); https://abell.org/sites/default/files/files/cd-justicediverted216.pdf

<sup>&</sup>lt;sup>3</sup> STOUT RISIUS ROSS, LLC, THE ECONOMIC IMPACT OF AN EVICTION RIGHT TO COUNSEL IN BALTIMORE CITY (2020), <a href="https://bmorerentersunited.org/wp-content/uploads/2020/05/Baltimore-RTC-Report FINAL 5.8.2020.pdf">https://bmorerentersunited.org/wp-content/uploads/2020/05/Baltimore-RTC-Report FINAL 5.8.2020.pdf</a>
<sup>4</sup> Matthew Desmond, "Poor Black Women Are Evicted at Alarming Rates, Setting Off a Chain of Hardship" (2014), <a href="https://www.macfound.org/media/files/hhm">https://www.macfound.org/media/files/hhm</a> - poor black women are evicted at alarming rates.pdf



Eviction records sealing benefits tenants by providing them the freedom to move to opportunity areas with safe and stable housing, where they have critical access to needs such as transportation, employment, healthcare, childcare, and more. When tenants cannot seal eviction records, even when the courts ultimately ruled in their favor or they successfully redeemed the property, they are often forced to move into any housing that will accept them, which may be substandard or unsafe.

The CASH Campaign of Maryland supports HB 134 with two critical amendments: 1) to remove language excluding subsidized tenants from the essential protections that HB 134 provides; and 2) to include within the bill a definition of sealing.

#### Amend HB 134 to Remove Language Excluding Subsidized Tenants

The bill, as currently written, would exclude tenants who reside in federally assisted housing from the opportunities presented by HB 134. This exclusion does not have a basis in federal law governing mandatory admission denials, which typically are based in a tenant's criminal background rather than a tenant's history of rental payments. While a federally assisted housing project may consider a tenant's prior rental payment history, it has no obligation to do so. This makes the process of reviewing eviction records for prospective tenants in federally assisted housing unnecessary to proceed with approval. Indeed, such reviews of records place even more significant barriers on families attempting to enter or remain in federally subsidized programs, who are already qualified for these programs based on their status as families with extremely low income.

Tenants in federally assisted housing have certain requirements around recertification of their income on an annual basis or as their household income changes, which informs the amount of their monthly rental portion. Many tenants in federally assisted housing have struggled to complete these annual recertifications during the COVID-19 pandemic due to closures of state agencies and inaccessibility of on-site property management offices to complete recertification processes. As a result, tenants who may have lost employment or other income during the pandemic may face delays of weeks or even months before their monthly rental portion is adjusted to reflect their current household income. This leaves those renters struggling to catch up on back rent for months where they were unemployed or otherwise faced income loss. HB 134 should support federally subsidized tenants just as it does unsubsidized tenants in sealing their records.

#### Amend HB 134 to Provide a Definition of Sealing

HB 134, as currently written, does not provide a definition of records sealing. This change is simple to implement by incorporating and modifying a similar definition provided in HB 697 from the 2021 session.<sup>7</sup> which is as follows:

With these amendments, HB 134 would take essential steps to protect renters' privacy, allow easier access to safe and stable housing, and promote racial justice.

The CASH Campaign of Maryland urges a favorable with amendments report on HB 134.

<sup>&</sup>lt;sup>5</sup> See 24 CFR §982.553, 24 CFR §960.204.

<sup>&</sup>lt;sup>6</sup> 24 CFR §960.203.

<sup>&</sup>lt;sup>7</sup> See proposed language in Attachment A.



#### ATTACHMENT A—DEFINITION OF SEALING

"COURT RECORD" MEANS AN OFFICIAL RECORD OF A COURT ABOUT A PROCEEDING THAT THE CLERK OF A COURT OR OTHER COURT PERSONNEL KEEPS.

#### "COURT RECORD" INCLUDES:

- 1. AN INDEX, A DOCKET ENTRY, A PETITION, A MEMORANDUM, A TRANSCRIPTION OF PROCEEDINGS, AN ELECTRONIC RECORDING, AN ORDER, AND A JUDGMENT; AND
- 2. ANY ELECTRONIC INFORMATION ABOUT A PROCEEDING ON THE WEBSITE MAINTAINED BY THE MARYLAND JUDICIARY.

"SEALING" MEANS TO REMOVE INFORMATION FROM PUBLIC INSPECTION IN ACCORDANCE WITH THIS SECTION. 'SEAL' INCLUDES:

- 1. WITH RESPECT TO A RECORD KEPT IN A COURTHOUSE, TO REMOVE THE RECORD TO A SEPARATE SECURE AREA TO WHICH PERSONS WHO DO NOT HAVE A LEGITIMATE REASON FOR ACCESS ARE DENIED ACCESS; AND
- 2. WITH RESPECT TO ELECTRONIC INFORMATION ABOUT A PROCEEDING ON THE WEBSITE MAINTAINED BY THE MARYLAND JUDICIARY, TO COMPLETELY REMOVE ALL INFORMATION CONCERNING THE PROCEEDING FROM THE PUBLIC WEBSITE, INCLUDING THE NAMES OF THE PARTIES, CASE NUMBERS, AND ANY REFERENCE TO THE PROCEEDING OR ANY REFERENCE TO THE REMOVAL OF THE PROCEEDING FROM THE PUBLIC WEBSITE.

**HB 134.pdf**Uploaded by: William Castelli

Position: FWA



**House Bill 134** – Failure to Pay Rent Proceedings – Prohibition on Rent Increases and Sealing of Court Records

#### **Position: Support with Amendment**

Maryland REALTORS® support HB 134 with an amendment to increase the time period to two years, between a tenant's exercise of their right of redemption and their ability to seal past records of a judgment of possession against them. The REALTORS® also recognize that a 90-day window is more realistic for an automatic court sealing.

As currently drafted, HB 134 would seek to make three changes. First, it would state that a landlord may not increase a tenant's rent solely because a judgment was entered against them. Second, in a case when a judgment for possession is not granted in favor of the landlord, the bill would clarify that the court will seal that record within 60 days. Finally, the bill would also grant a tenant the right to seal a court record if at least a year has transpired between when a tenant exercised the right of redemption to avoid eviction after a judgment of possession has been granted.

The REALTORS® believe that a period of two years should be used between a tenant's exercise of a right of redemption and the ability to seal a court record. Having two years of records allows a property manager to determine if an eviction action has been taken against a tenant in consecutive years. This helps a property manager or property owner know whether there is a pattern of nonpayment rather than just an unusual event or challenge a tenant was facing.

Given the current imbalance in the supply and demand of housing, tenants can face a more competitive environment when looking for property. Moreover, given a property manager's duty to find the "best" tenant for the property, a tenant with a challenging tenant history can have trouble when competing with tenants who have better tenant histories or other qualifications. Certainly, increasing the supply of affordable housing would help address some of these issues.

Finally, the bill tacitly acknowledges the importance of a tenant history by prohibiting the shielding of tenant records for tenants that receive housing vouchers. Even government agencies recognize the importance of this information.

With these changes, the Maryland REALTORS® supports HB 134.

For more information contact bill.castelli@mdrealtor.org



#### **Amendment:**

On page 2, line 22, strike "60" and insert "90"

On page 2, line 31, strike "12" and insert "24"



# MBIA Letter of Opposition HB 134.pdf Uploaded by: Lori Graf Position: UNF



January 18, 2022

The Honorable Kumar P. Barve **Environment & Transportation Committee** House Office Building, Room 251, 6 Bladen St., Annapolis, MD, 21401

RE: Opposition HB 134 Failure to Pay Rent Proceedings – Sealing of Court Records

Dear Chairman Barve:

The Maryland Building Industry Association, representing 100,000 employees statewide, appreciates the opportunity to participate in the discussion surrounding HB 134 Failure to Pay Rent Proceedings – Sealing of Court Records. MBIA **Opposes** the Act in its current version.

This bill would seal court records within 30 days after the final resolution of a failure to pay rent proceeding. MBIA respectfully opposes this measure. Landlords take a risk every time that they bring on a tenant. They own the underlying property and are dependent on the income from tenants to cover the cost. If a tenant fails to pay it can take an extended period of time to evict them and that time and the associated legal costs are expensive to landlords. In order to take on tenants, landlords need to be able to evaluate their tenant history in order to decide if the risk of taking on a particular tenant is justified. Knowing whether or not a tenant has previously been in court for failure to pay rent is an important part of that evaluation.

For these reasons, MBIA respectfully requests the Committee give this measure an unfavorable report. Thank you for your consideration.

For more information about this position, please contact Lori Graf at 410-800-7327 or lgraf@marylandbuilders.org.

cc: Members of the House Environment & Transportation Committee

## Maryland Judiciary Testimony - HB 134.pdf Uploaded by: Sara Elalamy

Position: UNF

#### MARYLAND JUDICIAL CONFERENCE OFFICE OF GOVERNMENT RELATIONS

Hon. Joseph M. Getty
Chief Judge

580 Taylor Avenue
Annapolis, MD 21401

#### **MEMORANDUM**

**TO:** House Environment and Transportation Committee

**FROM:** Legislative Committee

Sara Elalamy

410-260-1561

**RE:** House Bill 134

Failure to Pay Rent Proceedings - Prohibition on Rent Increases

and Sealing of Court Records

**DATE:** January 13, 2022

(1/18)

**POSITION:** Oppose

The Maryland Judiciary opposes House Bill 134. This prohibits a landlord from increasing a tenant's rent because a judgment was entered against the tenant in a failure to pay rent action; requiring, authorizing, or prohibiting, depending on the circumstances, the sealing by the District Court of court records relating to a failure to pay rent proceeding; requiring the Maryland Judiciary to develop and publish on its website a certain form; and generally relating to failure to pay rent proceedings.

This legislation presents a number of serious operational issues and would require extensive manpower to implement and comply. Specifically, the process would be excessively burdensome for nonelectronic cases. While the Judiciary is scheduled to launch an MDEC Landlord Tenant Pilot for failure to pay rent cases in Baltimore County District Court, the current process in all jurisdictions is a paper filing system. As such, in order to seal these records, a clerk would have to manually comb through stacks of carbon-copy, paper filings in order to locate the respective filing. There are tens of thousands of rent filings so this process would require extensive additional manpower.

Moreover, if a case also involved a money judgment, which is active for 12 years, and a landlord brought that money judgment to a circuit court where it went on the judgment index, having the District Court seal a valid circuit court record may be problematic. It is also unclear under what circumstances a court should grant a Motion to Seal for a "compelling need" or in the "interests of justice" when the tenant has not redeemed the outstanding rent. Is the landlord then foreclosed from collecting on a money judgment awarded? Further complicating this are those cases that are appealed to the circuit court. In those cases, the District Court loses jurisdiction and is unable to seal any records other than its own.

cc. Hon. Terri L. Hill
Judicial Council
Legislative Committee
Kelley O'Connor