2714 Hudson Street
Baltimore, MD 21224-4716
P: 410-534-6447
F: 410-534-6475
www.ghhi.org

March 30, 2022

William C. Smith, Jr., Chair Senate Judicial Proceedings Committee 2 East Miller Senate Office Building Annapolis, Maryland 21401

Re: HB174 - LANDLORD AND TENANT - REPOSSESSION FOR FAILURE TO PAY RENT - REGISTRATION AND LICENSE INFORMATION - FAVORABLE

Dear Chairman Smith and Members of the Committee:

The Green & Healthy Homes Initiative (GHHI) writes in support of HB174. GHHI has a long-standing history of advocating for families and children on the important issue of lead poisoning prevention. We provide multiple direct prevention services in Maryland including tenant's rights assistance, legal representation to tenants in rent court for the repair of lead hazards, and compliance assistance for rental property owners.

In 2004, HB1245 – The Clean Hands Bill was passed to require that rental property owners who were collecting rent through the Failure to Pay Rent Complaint process in District Court had to demonstrate that they were in compliance with Maryland's rental registration and lead inspection certification requirements. The law was passed to improve compliance rates of affected rental properties following a University of Maryland Law School report that analyzed 1,000 pre-1950, occupied rental properties that were the subject of current Failure to Pay Rent Complaints in Baltimore City District Court and found that 77% were not in compliance with the state's Maryland Reduction of Lead Risk in Housing Law. That law has been effective in helping improve compliance rates, but there are deficiencies in the current law related to rent court that need to be corrected through HB174.

Problem That Needs to be Addressed

In order to improve the law's effectiveness at increasing registration and lead inspection certification compliance rates of affected properties with the Maryland Reduction of Lead Risk in Housing Law and to insure that rental property owners are proactive and obtain a certificate prior to a tenant's occupancy, we need to strengthen the District Court's role in helping to make sure that rental property owners who use the <u>state funded and sanctioned</u> Failure to Pay Rent court process are legally renting their properties. During GHHI's years of legal representation of tenants in District Court in Baltimore City and across the state, it is not uncommon to represent tenants who reside in affected properties and are facing District Court eviction proceedings but:



- The affected property lacks a valid lead inspection certificate and/or is not annually registered.
- The Failure to Pay Rent Compliant has been filed without a lead inspection certificate number listed or the number provided is an invalid, expired or a fraudulent certificate number and there is no recourse for tenants to raise the issue at trial as the current law is written.
- The property is not licensed with the local jurisdiction.
- The District Court judge is unsure whether they can and should dismiss Complaints where the Inspection Certification line on the Complaint is blank.
- The District Court judge states that they cannot hear evidence on the property's lack of registration or inspection certification compliance due to the current language in Real Property Article Section 8-401.

Solution the Bill Provides

HB174 fixes the problems described by:

- 1. Giving District Court judges the ability to review evidence on the registration and inspection compliance of the rental property and in meeting the requirements of Real Property Article 8-401.
- 2. Providing clear direction to District Court judges that they have the authority to dismiss Failure to Pay Rent Complaints where landlords cannot show compliance and/or after the case has been postponed.
- 3. Requiring that owners provide proof of compliance and licensure documentation to the Court.

In 2015, a *Justice Diverted* report by The Public Justice Center and Maryland Legal Aid Bureau captured the struggles of many tenants in rent court, which found nearly 60% of Baltimore renters who appeared in these cases could have raised legal defenses based on defects in their home that were a threat to life, health, or safety, but only 8% succeeded. Due to these studies and other identified issues, a 2016 Rent Court Summer Study Group of various stakeholders was convened to take a deeper look into the issues. GHHI participated in this Workgroup which was an expansion of the monthly Baltimore City Work Group focused on similar issues. HB174 addresses some of the concerns raised by represented groups at the prior Summer Study Group, which focused on codifying actual practice and improving the court's ability to verify registration and/or inspection certification compliance.

Note: While it has been argued in opposition that allowing evidence to be presented in court on compliance will cause substantial delays in the daily rent court docket, it has not been the actual experience or practice that compliance determinations require a lengthy process for the judge to resolve nor has it delayed the courts in any measurable way.

GHHI Written Testimony - House Bill 174 March 30, 2022 Page Three

We support HB174 to continue to improve compliance rates and produce lead safer rental housing for tenants. The Maryland Reduction of Lead Risk in Housing Law has helped produce a 99% decline in childhood lead poisoning, but there remain numerous non-compliant properties that contain serious lead hazards. Further, various research studies have shown that non-compliant landlords who failed to meet Maryland's registration and lead risk reduction measures and certification inspection were still able to prevail in District Court Failure to Pay Rent Complaint hearings. Rental property owners who are not responsible in maintaining proper MDE registration and valid lead inspection certificates for their affected properties should not be allowed to use our courts.

HB174 provides needed reforms and strengthens the rent court process so that it is fair to all parties and does not require that tenants, who are typically pro se, have legal representation in District Court in order to expect that their rental home will be treated and inspected to meet Maryland's lead law requirements. We ask you for a Favorable Report on HB174.

Respectfully Yours,

Ruth Ann Norton President and CEO