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March 30, 2022

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

House Bill 521 - Landlord and Tenant - Shielding of Court Records
Hearing before the Senate Judicial Proceedings Committee
March 31, 2022
Position: FAVORABLE

Dear Chair Smith and Committee Members:

Thank you for the opportunity to testify in support of HB 521, a bill that would allow tenants the opportunity to petition to remove pandemic-related failure to pay rent cases from public inspection.

Community Legal Services of Prince George's County ("CLS") is a private, non-profit organization providing free legal services to low-income Prince George's County residents since 1985. In response to the pandemic, CLS expanded our services to assist Anne Arundel County residents in landlord-tenant matters, as the need for legal representation increased. In FY22, CLS has assisted on over 8,500 cases and clinics, and we expect a significant increase in requests for our services in the upcoming months.

Since piloting our Tenant Representation program in 2018, CLS has assisted thousands of tenants throughout Prince George's County and Anne Arundel County. Since March of 2020, CLS has represented over 1100 tenants and advised over 3,700 tenants on landlord and tenant matters. Throughout the pandemic, CLS has experienced a marked increase in requests for representation in actions involving Nonpayment of Rent and Tenant Holding Over. Struggling families have faced financial challenges from businesses closures, fear of COVID-19 infection, and loss of income, which has ultimately resulted in housing instability and uncertainty. Maryland Courts continued to accept and process landlord-tenant filings throughout the moratoria, leaving families with multiple judgments and lengthy records, while applications for emergency rental assistance were pending. A waiting list for these funds continues. Since the Courts have returned to Phase V on March 7, 2022, CLS has represented tenants in almost 100 cases and provided advice to 250 clients. We expect this increased pattern to continue as the Courts return to their normal operations. Although many of these cases will be dismissed as they were paid prior to their hearings, the filings will remain on tenants' online records.

House Bill 521 adds a much-needed provision to the landlord-tenant statute in which a tenant may petition the court to remove from public inspection the records of pandemic-related failure to pay rent cases.

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Residents of Maryland experienced unprecedented unemployment rates in 2020; low-income tenants need assistance and protection, not punishment. While unemployment rates in Prince George's County were at 3.7% in 2019, they grew to a staggering 8.1% in 2020. Anne Arundel County's unemployment rates increased from 3% in 2019 to 5% in 2020. Some tenants are still recovering from the aftermath of losing their jobs and, after depleting their savings, are living paycheck-to-paycheck. The challenges of financial recovery for many families were not instantly resolved when businesses reopened, nor when vaccines became available. Many tenants are striving to overcome massive financial setbacks caused by the pandemic. Some landlords filed new actions for nonpayment of rent for each month a tenant failed to submit a full payment of rent by the beginning of each month, which resulted in "serial" filings listed in Maryland Judiciary Case Search for some tenants, even while there was a moratorium on evictions. In November and December of 2021, over 20,000 failure to pay rent cases were filed each month in the State of Maryland. While tenants are now slowly gaining stability, these filings should not continue to haunt them.

Nonpayment of Rent cases filed during the pandemic are not a true representation of the behavior or habits of many of the individuals, who will be negatively affected, if the records are not shielded. Many tenants did not have trouble paying their monthly rent until the global crisis caused loss of income, loss of childcare options, and loss of loved ones who contributed to household living expenses. Furthermore, many of the cases may ultimately be dismissed, but details of the dispositions are sometimes unavailable online, which may cause prospective landlords to make assumptions and deny new housing to the subject of the records. With leases ending or rent costs rising, many tenants will need to move. Tenants should be able to petition a court to shield a Nonpayment of Rent record that is not representative of their usual payment practices to protect them from unfair denial of future housing or employment. This bill would protect tenants from unfair prejudice that may further compound their financial challenges. While failure to pay rent cases affect low-income families of diverse backgrounds, they disproportionately affect women of color. Shielding of these records will assist those families who need it the most to overcome the effects of the pandemic.

Efforts to keep families housed during the past two years could end in vain. There have been concerted and collective efforts put forth during the past two years to avoid a homelessness crisis. Emergency Rental Assistance, provided by the federal government and administered to tenants through organizations such as Arundel Community Development Services (ACDS) and the Prince George's County DHCD, are distributed to prevent evictions. CLS attorneys diligently advocate in court for low-income tenants and help connect tenants to emergency rental assistance programs. Due to inaccurate conclusions prospective landlords would inevitably reach as to the ability of a tenant to make timely rent payments, the financial tragedy faced by many Maryland residents will be exacerbated. Allowing judgment history to negatively affect the ability to secure future housing frustrates the purpose of the federal funds, which were intended to promote housing stability.

For these reasons, we urge a FAVORABLE REPORT ON House Bill 521.

Sincerely,

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Executive Director

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<sup>&</sup>lt;sup>1</sup> https://mdcourts.gov/district/about#stats