

SB 592 Final.pdf

Uploaded by: Andrew Rabinowitz

Position: FAV



MARYLAND
LEGAL AID

Advancing
Human Rights and
Justice for All

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01.2022



February 21, 2022

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

**RE: Testimony of Maryland Legal Aid in Support of Senate Bill 592 – Landlord
and Tenant-
Right to Redemption of Leased Premises – Form of Payment**

Dear Chairperson Smith and members of the committee

Thank you for the opportunity to testify in support of Senate Bill 592, legislation that proposes to expand the forms of payment Landlords and Mobile Home Park operators are required to accept when offered by the tenant.

Maryland Legal Aid (MLA) is a private, non-profit law firm that provides free legal services to indigent Maryland residents. From 12 offices around the state, MLA helps individuals and families in every Maryland county with many civil legal issues, including housing, consumer, public benefits, and family law matters. MLA also represents abused and neglected children and provides legal assistance to senior citizens and nursing home residents. This letter serves as notice that Andrew Rabinowitz, Esq. will testify on behalf of Maryland Legal Aid. at the request of Senator Susan Lee.

The harm that SB 592 seeks to address in part is familiar to MLA's clients. When clients face eviction because of a judgment against them in a Failure to Pay rent action, they are often in a financial crisis, as they do not have the income to pay the rent, which is due fully. These renters then reach out to the government or government-related entities for financial assistance to remain in their homes and escape homelessness. For reasons never explained to MLA clients, Landlords sometimes reject the payment from those government entities. When a Landlord rejects the government's payment, the client is exposed to homelessness without MLA's intervention. Among all the harms to which MLA clients are exposed, this is inexplicable. If SB 592 is enacted into law, this harm will be ameliorated.

For these reasons, MLA supports SB 592 and asks for a favorable report.

Sincerely

Andrew Rabinowitz, Esq.,
Supervising Attorney
Baltimore City Office

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SB0592-JPR_MACo_SUP.pdf

Uploaded by: D'Paul Nibber

Position: FAV



Senate Bill 592

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

MACo Position: **SUPPORT**

To: Judicial Proceedings Committee

Date: February 22, 2022

From: D’Paul Nibber

The Maryland Association of Counties (MACo) **SUPPORTS** SB 592. This bill would require landlords to accept electronic or written checks issued by counties assisting tenants as they exercise their right to redeem during an eviction proceeding.

Throughout the COVID-19 pandemic, and its associated economic effects, the potential for tenant evictions has threatened to compound our communities’ difficulties. To stabilize the housing market, counties have been relied upon to distribute federal emergency rental assistance to qualified tenants experiencing financial distress. County agencies have worked diligently to ensure this assistance is provided in a timely manner. A total of over 70,000 applications for rental assistance have been processed with over 40,000 households having received assistance.

Unfortunately, state and federal guidelines regarding payment distribution record-keeping, evidence of rental arrangements, and collection of qualifying income documentation contributed to recent delays in assistance payments. In recent months, counties have increased the efficiency and timeliness of their emergency rental assistance programs, yet eviction filings concerning tenants eligible for assistance persist.

County officials share the concern that landlords are not accepting emergency rental assistance payments made on behalf of tenants, with form of payment and the potential conditions attached being significant obstacles. SB 592 is needed to ensure housing stability for these vulnerable tenants. Upon eviction, these former tenants are faced with cascading negative health and economic issues including homelessness, food insecurity, and job loss—placing a substantial burden on state and county resources.

SB 592 would protect vulnerable Marylanders from needless evictions and by doing so, avoid the preventable drain on state and local resources. For these reasons, MACo **SUPPORTS** SB 592 and urges a **FAVORABLE** report.

SB 592 Final.pdf

Uploaded by: Gregory Countess

Position: FAV



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February 21, 2022

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

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

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The harm that SB 592 seeks to address in part is familiar to MLA's clients. When clients face eviction because of a judgment against them in a Failure to Pay rent action, they are often in a financial crisis, as they do not have the income to pay the rent, which is due fully. These renters then reach out to the government or government-related entities for financial assistance to remain in their homes and escape homelessness. For reasons never explained to MLA clients, Landlords sometimes reject the payment from those government entities. When a Landlord rejects the government's payment, the client is exposed to homelessness without MLA's intervention. Among all the harms to which MLA clients are exposed, this is inexplicable. If SB 592 is enacted into law, this harm will be ameliorated.

For these reasons, MLA supports SB 592 and asks for a favorable report.

Sincerely

Andrew Rabinowitz, Esq.,
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SB 592_Consumer Protection Division_fav_2022.pdf

Uploaded by: Kira Wilpone-Welborn

Position: FAV

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Deputy Attorney General



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CONSUMER PROTECTION DIVISION

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February 21, 2022

To: The Honorable William C. Smith, Jr.
Chair, Judicial Proceedings Committee

From: Kira Wilpone-Welborn, Assistant Attorney General
Consumer Protection Division

Re: Senate Bill 592 – Landlord and Tenant – Right to Redemption of Leased Premises –
Form of Payment (SUPPORT)

The Consumer Protection Division of the Office of the Attorney General (the “Division”) supports Senate Bill 592 sponsored by Senators Susan C. Lee, William C. Smith, Jr., and Benjamin F. Kramer. Senate Bill 592 would assist the collective efforts of state and federal leaders to stymie the disruptive impacts of the COVID-19 pandemic on renter households by acknowledging rental assistance funds from a government entity as valid funds to redeem a rental property after a warrant of restitution was issued but not executed.

The COVID-19 pandemic continues to financially impact renters resulting in housing instability for renter households across Maryland. Through the CARES Act and the American Rescue Plan, the federal government has awarded Maryland over \$250 million dollars in rental assistance and eviction prevention funds.¹ Notwithstanding, the Division has received repeated complaints from consumers, advocates, and rental assistance program administrators that many Maryland landlords are refusing to accept rental assistance funds awarded to eligible renters. Instead, many Maryland landlords are evicting vulnerable renters who have been negatively impacted by the COVID-19 pandemic. Senate Bill 592 will assist rental relief assistance providers in successfully distributing Maryland’s share of the federal rental assistance funds and bolster housing stability for Maryland renter households as the COVID-19 pandemic’s deleterious effects persist.

¹See <https://governor.maryland.gov/2021/03/17/governor-hogan-submits-1-08-billion-supplemental-budget-focused-on-rental-assistance-higher-education-and-transportation/>.

The Honorable William C. Smith, Jr.
Senate Bill 592
February 21, 2022
Page Two

Accordingly, the Division requests that the Judicial Proceedings Committee give Senate Bill 592 a favorable report.

cc: The Honorable Susan C. Lee
The Honorable Williams C. Smith, Jr.
The Honorable Benjamin F. Kramer
Members, Judicial Proceedings Committee

SB 592 - MoCo_Elrich_FAV (GA 22).pdf

Uploaded by: Marc Elrich

Position: FAV



OFFICE OF THE COUNTY EXECUTIVE

Marc Elrich
County Executive

February 23, 2022

TO: The Honorable William C. Smith, Jr.
Chair, Judicial Proceedings Committee

FROM: Marc Elrich
County Executive

RE: SB 592, Landlord and Tenant – Right to Redemption of Leased Premises – Form
of Payment, Support

Senate Bill 592 adds an electronic or written check issued by a political subdivision or on behalf of a government entity as a form of payment that can be tendered to a landlord in an action of summary ejectment for failure to pay rent by a tenant or resident exercising the right of redemption of a leased premises.

Current law specifies that all past due amounts and court-awarded costs and fees can be tendered to a landlord via cash, certified check, or money order. By adding electronic or written check issued by a political subdivision or on behalf of a government entity to the forms of payment, landlords cannot refuse a check issued by a political subdivision or on behalf of a government entity solely because it is not one of the forms of payment listed in statute. Senate Bill 592 closes this loophole by expressly indicating that payments made by government entities, such as rental assistance payments, can satisfy a tenant's obligation when exercising the right to redemption.

Montgomery County Government has encountered instances of landlords refusing to accept payment issued by the County's rental assistance program by citing that the county-issued payment on behalf of a tenant is not an accepted form of payment under the law. I respectfully urge the committee to issue a favorable report on Senate Bill 592 to make this commonsense addition to the forms of payment that can satisfy a tenant's obligations when exercising the right of redemption.

SB592.pdf

Uploaded by: Robin Lewis

Position: FAV



Maryland's First
Nationally Accredited
Sheriff's Office



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SHERIFF DARREN M. POPKIN

February 18, 2022

The Honorable William C. Smith, Jr
Chairman, Judicial Proceedings Committee
2 East
Miller Senate Office Building
Annapolis, MD 21404

Re: Support for Senate Bill 592

Dear Senator Smith:

I am writing in support of Senate Bill 592, Landlord and Tenant – Right to Redemption of Leased Premises – Form of Payment. I am the Commander of the Criminal/Civil Division for the Montgomery County Sheriff's Office which includes the Eviction Section.

Currently, Maryland Code, Real Property Article §8-401(g) (1), permits a tenant to prevent a court ordered eviction from occurring, by tendering payment in cash, certified check, or money order. If the Sheriff is present to execute an eviction and the tenant presents full payment of the judgement listed on the Writ of Reinstitution, the landlord must accept payment and the Sheriff cancels the eviction. Currently MD Law does not specifically allow for an electronic or written check issued by a political subdivision or on behalf of a governmental entity to be an acceptable form of payment. During the COVID crisis, there were instances where a tenant would have in their possession a government check, issued to the landlord for full payment of the judgement, and the landlord would refuse to accept the payment. In 2021, the Montgomery County Sheriff's Office received 3,448 Writ of Reinstatutions from the District Court of Maryland. Evictions were executed in 436 of those Writs. Senate Bill 592 would give the tenant a right to redemption of leased premises and mobile park leased premises by tendering in cash, certified check, money order, or *electronic check or written check issued by a political subdivision or on behalf of a governmental entity*.

The Montgomery County Sheriff's Office urges the Judicial Proceedings Committee to report favorably on Senate Bill 592. Senate Bill 592 would expand on the form or acceptable payments a landlord must accept and minimize the number of evictions taking place.

Captain Robin Lewis
Commander, Criminal and Civil Division
Montgomery County Sheriff's Office

SB592_FAV_Lee_2022.pdf

Uploaded by: Susan Lee

Position: FAV

SUSAN C. LEE
Legislative District 16
Montgomery County

MAJORITY WHIP

Judicial Proceedings Committee

Joint Committee on
Cybersecurity, Information Technology,
and Biotechnology

Chair Emeritus
Maryland Legislative Asian American
and Pacific Islander Caucus

President Emeritus
Women Legislators of the
Maryland General Assembly, Inc.



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THE SENATE OF MARYLAND
ANNAPOLIS, MARYLAND 21401

February 22, 2022

Senate Judicial Proceedings Committee

SB 592 – Favorable – Landlord and Tenant – Right to Redemption of Leased
Premises – Form of Payment

Senate Bill 592 is a very simple bill that will prevent landlords from refusing a check issued by a political subdivision or on behalf of a government entity solely because it is not one of the forms of payment listed in statute. The Montgomery County Office of the County Executive brought the need for this legislation to my attention. They have encountered problems when landlords refuse this form of payment, for whatever reason.

The Maryland Association of Counties notes that a total of over 70,000 applications for rental assistance have been processed with over 40,000 households having received assistance already. SB 592 will ensure housing stability for vulnerable tenants when landlords are not accepting emergency rental assistance payments made on behalf of tenants.

The opposition is largely focused on a hypothetical tangential issue about contracting for anything beyond the payment itself. I'm confident we can work out these concerns, as a contract with the local government is not a feature of this legislation. Accepting the form of payment would be binding to the landlord as far as the rent payment goes, but it does not require them to concede anything to the local government in exchange on the face of the legislative language and clear intent of the bill.

For these reasons I respectfully request a favorable report on SB 592.

SB 592--AOBA Statement--FWA.pdf

Uploaded by: Erin Bradley

Position: FWA



Bill No: SB 592-- Landlord and Tenant – Right to Redemption of Leased Premises – Form of Payment

Committee: Judicial Proceedings

Date: 2/22/22

Position: Favorable with Amendment

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.

Senate Bill 592 requires housing providers to accept an electronic or written check issued by a political subdivision or on behalf of a governmental entity as a form of payment for the purposes of a tenant's redemption right to the property.

AOBA members are happy to accept payments from a governmental entity when a resident exercises their right of redemption. AOBA interprets this legislation to mean a housing provider is not required to sign a contract. To ensure this interpretation, AOBA respectfully requests the following amendment:

On page 2, in line 5, insert, (3) IN SUBSECTION (G)(1), ACCEPTANCE OF THE ELECTRONIC OR WRITTEN CHECK ISSUED BY A POLITICAL SUBDIVISION OR ON BEHALF OF A GOVERNMENTAL ENTITY SHALL NOT REQUIRE THE LANDLORD OR THE LANDLORD'S AGENT TO ENTER INTO A CONTRACT OR AGREEMENT.

For these reasons AOBA requests a favorable with amendment report on SB 592.

For further information contact Erin Bradley, AOBA Vice President of Government Affairs, at 301-904-0814 or er Bradley@ao ba-metro.org.

MMHA - 2022 - SB 592 - Favorable with Amendments.p

Uploaded by: Grason Wiggins

Position: FWA



Senate Bill 592

Committee: Judicial Proceedings
Date: February 22, 2022
Position: Favorable with Amendment

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.

Senate Bill 592 (“SB 592”) requires housing providers to accept an electronic or written check issued by a political subdivision or on behalf of a governmental entity as a form of payment for the purposes of a tenant’s redemption right to the property. Based on the language in the bill, MMHA’s interpretation of the bill is that the electronic check or written check from the political subdivision or on behalf of a governmental entity as a form of payment would **not** require the signing of a contract. To ensure our interpretation is accurate, MMHA respectfully requests the following amendment:

On page 2, in line 5, insert, (3) IN SUBSECTION (G)(1), ACCEPTANCE OF THE ELECTRONIC OR WRITTEN CHECK ISSUED BY A POLITICAL SUBDIVISION OR ON BEHALF OF A GOVERNMENTAL ENTITY SHALL NOT REQUIRE THE LANDLORD OR THE LANDLORD’S AGENT TO ENTER INTO A CONTRACT OR AGREEMENT.

Housing providers are entering into current rental assistance contracts because they were able to negotiate the contractual prohibitions and requirements as good-faith partners at the table with county officials and other stakeholders. Any requirement that housing providers enter into contracts would dispose of those good faith discussions, remove housing providers from the table, and subject housing providers to any number of future prohibitions or requirements that could be included in contracts. **For these reasons, MMHA respectfully requests adoption of the amendment to make it very clear that SB 592 does not impose a requirement to sign contracts on housing providers.**