

House Bill 693 – Landlord and Tenant – Eviction Actions – Filing Surcharge and Prohibited Lease Provisions

Position: Favorable

Maryland REALTORS® supports HB 693 which increases certain court fees including the surcharge for summary ejectment. State law currently limits this fee to \$8. Although this is a substantial increase in the eviction surcharge, the REALTORS® can support such an increase when nearly half of this fee will help fund rental assistance in addition to access to counsel and legal services.

REALTORS® often manage property for owners who lease their single-family property for many reasons. Sometimes it is because the owner is seeking to create additional income for their family by holding onto property they once lived in. Sometimes, they choose rental real estate as a separate investment vehicle where the rent helps pay the mortgage so that they will eventually have equity in the property at the end of the mortgage term. Sometimes, it is because the owner of the property was under water and instead of selling the property at a loss, they keep it until the until they can recover some equity. Other times an owner may have a temporary but longer-term job relocation and they would like to hold onto the property and move back in when their temporary assignment is over.

Increasing the surcharge from \$8 to \$68 is no small step given that the evictions are already an expensive process. Landlords, particularly small landlords with single-family property, may spend hundreds to thousands of dollars when a tenant is evicted. Some counties require a property owner to hire a moving crew to remove any personal property left behind by the tenant. All turnover properties will be cleaned and often painted after a tenant leaves. Eviction is an option of the last resort because of these expenses. Almost all landlords have a strong financial incentive to keep tenants in a property as long as possible.

Nevertheless, the Maryland REALTORS® can support such an increase as long as \$30 of it helps fund rental assistance programs that help both the tenant and landlord.

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