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**HB 703: Real Property – Actions to Repossess – Judgment for Tenants and Proof of Rental Licensure**  
**HEARING BEFORE THE JUDICIARY COMMITTEE, FEBRUARY 16, 2022 AT 1:00 PM**  
**POSITION: SUPPORT**

The Pro Bono Resource Center of Maryland (“PBRC”), an independent 501(c)(3) non-profit organization, is the statewide coordinator, thought leader and clearinghouse for volunteer civil legal services in Maryland. As the designated pro bono arm of the Maryland State Bar Association, PBRC provides training, mentorship, and pro bono service opportunities to members of the private bar. We respond to acute legal needs identified in areas across the state by piloting and operating innovative pro bono service projects targeting specific legal problems or populations.

In May 2017, with a grant from the Maryland Judiciary’s Access to Justice Department, PBRC launched the **Tenant Volunteer Lawyer of the Day Program (TVLD Program)** in Baltimore City Rent Court to provide day-of-court legal representation to tenants who appear unrepresented for their proceedings. In September 2021, the TVLD program received additional funding to expand its services to Baltimore County. Typically among the poorest residents of Baltimore City and Baltimore County, tenants appearing in Rent Court often contend with difficult and unsafe living conditions, are nearly always unrepresented, and are often unaware of the judicial process, their rights as renters, or valid defenses they could raise in the face of eviction proceedings. Landlords, however, are nearly always represented.

Under current Maryland law, individual jurisdictions can elect to require landlords to be licensed to lawfully rent property to tenants. Licensure in these jurisdictions requires inspection for unsafe conditions. In those jurisdictions, landlords may not avail themselves of the summary ejectment procedure if they are out of compliance with licensure. See *McDaniel v. Baranowski*, 419 Md. 560 (2011).

Despite this, we have observed that landlords who do not comply with licensure requirements are still permitted to avail themselves of Maryland’s summary ejectment procedure in violation of Maryland law. For example, while a Failure to Pay Rent complaint requires a landlord to provide a license number if applicable in their local jurisdiction, the validity of these numbers is not routinely verified by the Court. PBRC attorneys raise this issue where appropriate in Baltimore City and are frequently successful in having the action dismissed based upon improper licensure. In fact, PBRC has identified a licensing or registration issue in over 700 cases and almost half of PBRC’s Failure to Pay Rent cases have been dismissed for lack of valid licensure or registration.

**HB 703 will increase court efficiency and protect tenants by requiring landlords to demonstrate their compliance with licensure requirements.** Licensure requirements were put in place to protect tenants by ensuring that their homes are routinely inspected and free of dangers. By requiring proof of compliance at the time of filing, HB 703 will ensure that only those landlords who comply with Maryland law will be permitted to use the summary ejectment procedure. Not only does this protect tenants’ right to a safe and habitable home, but it will also reduce the burden of these cases on the judiciary. If the landlord’s filing lacks proof of compliance, it can be rejected at the time of filing, thus preserving valuable court time for valid ejectment actions.

**Additionally, HB 703 will penalize landlords who bring Breach of Lease actions against tenants in bad faith or without substantial justification.** While Maryland Real Property Article § 8-208.1 already prohibits landlords from taking retaliatory actions against tenants for reporting health or safety issues, it is not inclusive of other issues that could induce a landlord to file a Breach of Lease action against a tenant in bad faith. Tenants may find themselves in danger of losing their housing because they have asked for minor repairs, summoned the assistance of law enforcement, or simply

had a personal disagreement with their landlord. Even a frivolous Breach of Lease action requires a tenant to appear in court and burden our judicial system. Court time and resources are spent processing the complaint, generating the summons, serving the summons, and ultimately trying the case. It is appropriate that bad actors be subject to paying court costs and attorney's fees as required by HB 703. These penalties also send a message that this misuse of our State's resources will not be tolerated. Landlords who file Breach of Lease cases in good faith need not be concerned, as the determination that a landlord has acted in bad faith will be made only after a hearing before the District Court.

Laws and regulations are only as good as their enforcement and requiring landlords to demonstrate compliance with licensure regulations before commencing Failure to Pay Rent proceedings is the right step to take to help protect Maryland tenants. **PBRC supports HB 703 because it will ensure that Maryland tenants are protected from unsafe conditions and preserve court resources for valid actions.** Thank you for the opportunity to submit testimony.

For the above reasons,

**PBRC urges a FAVORABLE report on HB 703.**

Please contact Katie Davis, Director of PBRC's Courtroom Advocacy Project, with any questions.

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