



House Bill 693

Committee: Judiciary
Date: February 16, 2022
Position: Favorable

This testimony is offered on behalf of the Maryland Multi-Housing Association (MMHA). MMHA is a professional trade association established in 1996, whose members house more than half a million residents of the State of Maryland.

House Bill 693 (“HB 693”) increases the surcharge for a summary ejectment proceeding by more than 800%, but HB 693 allows for a judge to decide whether a housing provider may recover the surcharge. **MMHA’s position regarding court fees has been consistent. MMHA is open to consideration of a reasonable increase in the summary ejectment filing fee as long as it is fully recoverable.**

I. Recoverability is Critical

By allowing the surcharge to be recovered, HB 693 ensures that evictions remain low, that Maryland retains affordable housing, and that Maryland’s law aligns with every surrounding jurisdiction. To be clear, states like New York also allow housing providers to recover court costs. **In fact, MMHA is unaware of any state in the country that prohibits recovery of court costs.** The ability to recover court costs is critical. Just like every other industry in Maryland, when housing providers access Maryland’s impartial judicial system in good faith, housing providers should be allowed to recover the costs of the court proceeding.

If housing providers were unable to recover their court costs, housing providers would be forced to account for those unrecoverable costs in their budget, which would result in rent increases. Those increases would only make housing less affordable for residents that consistently pay their rent. Other jurisdictions have recognized this fact, which is why every one of Maryland’s surrounding jurisdictions allow housing providers to recover their court costs.

Maryland’s court system is designed to benefit tenants. Maryland’s tenants are afforded: (1) one of the longest grace periods for unpaid rent in the country, (2) access to free attorneys throughout the court process, (3) a significant number of notices that include contact information for free attorneys, (4) and a “right to redeem” model that allows tenants to pay unpaid rent and stay in the property up to and at **any time** prior to an actual eviction taking place. In Maryland, tenants may exercise their right to redeem up to 3 times per calendar year – 4 in Baltimore City.

In contrast, the policies in Maryland’s contiguous states provide much less benefit to tenants. For example, in Pennsylvania, tenants are not afforded an absolute right to redeem, judges can and often do foreclose the right at the request of a housing provider. Unlike Maryland, jurisdictions like Virginia and Washington, D.C. require tenants to pay rent that comes due after a judgement to avoid eviction. Further, none of Maryland’s surrounding jurisdictions have enacted an Access to Counsel Program for tenants. As such, policies in Maryland’s surrounding jurisdictions lead to less court filings, but they are also less beneficial to tenants than Maryland’s laws.



II. Fee Amount and Two-Payment Process

HB 693 increases the total cost to file a summary ejectment case to \$90 in Baltimore City and \$80 in the rest of the state. That total amount is high compared to surrounding jurisdictions like Virginia (\$45-\$56) and Delaware (\$45). The fee amount in HB 693 could be reduced to more closely align Maryland with surrounding states. **Therefore, MMHA requests that the committee review a surcharge increase of \$40, which would more closely align Maryland with surrounding jurisdictions.**

The summary ejectment process requires two payments, the filing fee and the warrant of restitution. Maryland’s cost for the warrant of restitution means that the total costs during the court process is already similar to surrounding states. The chart below illustrates the cost of the two payment process compared to Virginia.

	Maryland	Baltimore City	Virginia
Filing Fee:	\$20 plus \$5 for each additional tenant.	\$30	\$46-\$56
Additional Fee:	\$40 Warrant of Restitution	\$50 Warrant of Restitution	\$25 Writ of Possession
Total Costs:	\$60+	\$80	\$71-\$81

III. Unprecedented Decline in Court Filings and Evictions

Since the beginning of the pandemic, Maryland has experienced an historical decline in both court filings and evictions. At the beginning of the pandemic, there were dire predictions of an eviction tsunami, but no tsunami ever arrived. In fact, based upon objective data from the District Court of Maryland, evictions have plummeted during the pandemic and have remained low. In the final quarter of 2021, both court filings and evictions have declined by more than 65% and 58% respectively compared to the same pre-pandemic timeframe. That data is reflective of the consistent and unprecedented decline in court filings and evictions since the beginning of the pandemic.

Housing providers have played a critical role in the eviction decline. Housing providers have spent thousands of staff hours supporting tenants during the rental assistance process, utilized their resources to connect residents with rental assistance, and shown extreme patience as **the time between a court filing and a court hearing for repossession has extended to more than eight months**. Housing providers have conducted that work and demonstrated astounding patience while their own bills, mortgages, and taxes have come due.

IV. Conclusion

MMHA’s position regarding court fees has been consistent. MMHA is open to consideration of a reasonable increase in the summary ejectment filing fee that is fully recoverable. Housing providers should not be



MARYLAND MULTI-HOUSING ASSOCIATION, INC.

punished for utilizing their only option for repossession under Maryland law. **While further discussions and review are warranted regarding the amount of the fee increase, MMHA is in full support of the recoverability aspect of HB 693.** By allowing housing providers to recover court costs, HB 693 aligns Maryland with every one of its surrounding jurisdictions, including states like New York.

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