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HB 34 - Landlord and Tenant - Residential Leases - Failure to Pay Rent Proceedings-Prohibition on Rent Increases and Shielding of Court Records

Hearing before the Senate Judiciary Committee, March 28, 2023

Position: FAVORABLE

The Public Justice Center (PJC) is a nonprofit public interest law firm that stands with tenants to protect and expand their rights to safe, habitable, affordable, and non-discriminatory housing and their rights to fair and equal treatment by Maryland's landlord-tenant laws, courts, and agencies. We advocate to change the law regarding evictions and to demand the development of equitable and sustainable affordable housing. PJC believes the HB 34 as amended and passed by the House is a critical measure to protect renters' privacy, allowing easier access to safe and stable housing, and promoting racial justice. We believe the eviction records shielding achieves that goal.

HB 34 is an amended bill where tenant advocates, landlord lobbyist and delegates amicably coordinated to adjust bill language, allowing for passage of the bill. We urge the Committee to pass amended HB 34 with no new amendments. The bill allows the shielding of eviction records in failure to pay rent cases ("FTPR") beginning in October 2023 and onward. There were nearly 670,000 of these cases filed across Maryland in FY 2019, and around 1 in 4 of them were dismissed, presumably because payment preceded the trial date of the action. For many tenants, FTPR actions are routinely filed and typically result *not* in actual eviction, but late payment made under the threat of eviction. Fewer than half of FTPR cases even result in warrant of restitution.

The routine filings nonetheless show up on tenants' consumer and rental history. Vendors such as CoreLogic and AppFolio access physical and electronic court records to produce data points that they then sell as risk assessments. A tenant who successfully redeemed possession by payment is ultimately harmed by the record of the FTPR action when they are seeking new housing. HB 34 will reduce the loss of housing opportunities based on failure to pay rent records. For cases that are dismissed or where judgment is entered in favor of the tenant, the bill proposes to shield the eviction record 60 days after final disposition.

For tenants whose landlord prevails in a failure to pay rent action, the HB 34 bill provides for the shielding of the record if the tenant demonstrates that either: 1) the tenant exercised the right of redemption ("pay to stay") and one year has passed since the judgment was entered; or 2) the interest of

justice is served by shielding the record of the adverse judgment. Having the opportunity to shield these records after one year will open the door to opportunities that were once closed to many tenants.

The effort to legislate the shielding of eviction records is a growing movement nationwide. Since 2019, Massachusetts, Colorado, Nevada, and the District of Columbia have all proposed legislation to shield eviction records. These jurisdictions have recognized that shielding (as well as shielding) records is not only a matter of protecting tenants' rights, but also an issue of racial justice – particularly for Black women, who face disproportionate levels of eviction both locally and nationwide.¹

In a 2015 survey conducted by the Public Justice Center, ninety four percent (94%) of participant tenants who appeared for rent court in Baltimore City identified as African-American or Black, and eighty percent (80%) identified as women.² These numbers play out similarly with evictions in Baltimore City – a Black female-headed household is 296% more likely to be evicted there than a white male-headed household.³ As stated by Matthew Desmond in a 2014 report on the state of evictions in Milwaukee, "[p]oor black men are locked up while poor black women are locked out."⁴

Shielding records are a powerful solution that work together to mitigate the harm of evictions and ensure that tenants are able to secure alternate housing and avoid homelessness.

HB 34 would take essential steps to protect renters' privacy, allow easier access to safe and stable housing, and promote racial justice.

Public Justice Center is a member of the Renters United Maryland coalition and asks that the Committee issue a FAVORABLE report on the amended HB34 bill. If you have any questions, please contact Albert Turner, Esq., turnera@publicjustice.org (410) 625-9409 Ext. 250.

The Public Justice Center is a 501(c)(3) charitable organization and as such does not endorse or oppose any political party or candidate for elected office.

¹ STOUT RISIUS ROSS, LLC, THE ECONOMIC IMPACT OF AN EVICTION RIGHT TO COUNSEL IN BALTIMORE CITY (2020), https://bmorerentersunited.org/wp-content/uploads/2020/05/Baltimore-RTC-Report FINAL 5.8.2020.pdf; Matthew Desmond, "Poor Black Women Are Evicted at Alarming Rates, Setting Off a Chain of Hardship" (2014), https://www.macfound.org/media/files/hhm - poor black women are evicted at alarming rates.pdf; ACLU, "Clearing the Record: How Eviction Shielding Laws Can Advance Housing Access for Women of Color," https://www.aclu.org/news/racial-justice/clearing-the-record-how-eviction-sealing-laws-can-advance-housingaccess-for-women-of-color/.

² Public Justice Center, Justice Diverted: How Renters Are Processed in the Baltimore City Rent Court (2015); https://abell.org/sites/default/files/files/cd-justicediverted216.pdf

³ STOUT RISIUS ROSS, LLC, THE ECONOMIC IMPACT OF AN EVICTION RIGHT TO COUNSEL IN BALTIMORE CITY (2020), https://bmorerentersunited.org/wp-content/uploads/2020/05/Baltimore-RTC-Report FINAL 5.8.2020.pdf ⁴ Matthew Desmond, "Poor Black Women Are Evicted at Alarming Rates, Setting Off a Chain of Hardship" (2014), https://www.macfound.org/media/files/hhm - poor black women are evicted at alarming rates.pdf