



Bill No: HB 42-- Courts - Judgments - Exemptions From Execution

Committee: Judiciary

Date: 1/19/2023

Position: Unfavorable

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.

To obtain a judgment against a tenant for failure to pay rent, housing providers must endure a lengthy and cumbersome legal process. Often, this requires housing providers to work with debt collectors to collect a fraction of the owed rent. This bill will prolong that process by automatically exempting \$500 from the amount that the tenant owes the housing provider from any attempted garnishment.

Owed rent is the single source of revenue used to cover all operating expenses, including mortgage payments, payroll, taxes, utilities, business licenses, insurance, general maintenance, and significant capital improvements. Prolonging or making it more difficult to collect owed rent requires housing providers to cut back on staffing, investments, or other capital improvements on a property.

For these reasons, **AOBA respectfully urges an unfavorable report to HB 42.** For further information, please contact Ryan Washington, AOBA Manager of Government Affairs, at 202-770-7713 or rwashington@aoba-metro.org.