



**MARYLAND  
LEGAL AID**

*Advancing*  
**Human Rights and  
Justice for All**

## **House Bill 271**

### **Limited Liability Companies – Articles of Organization – Required Information**

Hearing in the House Committee on Economic Matters

Hearing on February 6, 2024

**Position: FAVORABLE**

*Maryland Legal Aid (MLA) submits its written and oral testimony on HB 271 at the request of bill sponsor Delegate Robin Grammer.*

MLA is a non-profit law firm that provides free legal services to the State’s low-income and vulnerable residents. Our offices serve residents in each of Maryland’s 24 jurisdictions and handle a range of civil legal matters, the most prominent of which is housing. Our Tenants’ Right to Counsel Project represented tenants in over 2,000 cases in 2023. Maryland Legal Aid asks that the Committee report **favorably** on HB 271 to require Limited Liability Companies (“LLC”) to state the name and home address of each member authorized to act on behalf of the LLC.

#### ***Addressing the need for landlord transparency***

For many MLA clients, rental operations are layered in levels of LLCs. Commonly, we see that an LLC owns a rental property, that operations of the property fall under a second LLC, and that the resident agents for either or both LLCs is yet another LLC. Our clients may receive dunning letters or threats of eviction from individuals or under company names they have never encountered before. Those names are often omitted from the tenant’s lease agreement and absent from the LLC’s articles of organization.

“Failure to Pay Rent” eviction cases present similar challenges for tenants. While landlords typically name their LLC as plaintiff, they are permitted under statute to have any person stand in their place at trial.<sup>1</sup> Too often, we find that our clients have never met the person who is claiming to be the “landlord” at trial. We cannot verify whether the person is a member of the owning or operating LLC and is authorized to act on behalf of the LLC. Notably, “Failure to Pay Rent” eviction actions do not allow for discovery. Maryland renters face similar challenges in small claims actions, in which members of LLCs are permitted to represent the LLC in court in place of an attorney.<sup>2</sup>

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<sup>1</sup> Md. Code Ann., Bus. Occ. & Prof. art. § 10-206(b) (providing an exception for non-attorney representation of landlords in Failure to Pay Rent cases and Rent Escrow cases in the district court).

<sup>2</sup> *Id.*

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For these reasons, publicly available records of the State Department of Assessments and Taxation, such as the LLC’s articles of organization, provide a crucial level of transparency. These records may provide renters and their counsel their only view into the actors behind the LLC. The enhanced disclosures under HB 271 would enable renters to understand who is ultimately accountable for maintenance, repairs, accounting, and other aspects of both ownership and property management. Access to this information helps renters problem-solve disputes without resort to litigation and better prepares them for litigation when it cannot be avoided.

**Maryland Legal Aid urges the Committee to issue a FAVORABLE report on House Bill 271.** If you have any questions, please contact Joseph Loveless, Staff Attorney, (410) 925-8572, [jloveless@mdlab.org](mailto:jloveless@mdlab.org) or Zafar Shah, Assistant Advocacy Director – Tenants’ Right to Counsel Project, (443) 202-4478, [zshah@mdlab.org](mailto:zshah@mdlab.org).



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**Tenants' Right to Counsel Project**