

**Clinical Law Program – University of Maryland Francis King Carey School of Law
Testimony in Support of HB 693 – FAVORABLE
Renters Rights and Stabilization Act of 2024
Before the House Environment and Transportation Committee – February 20, 2024**

The Clinical Law Program at the University of Maryland Francis King Carey School of Law submits this testimony in favor of House Bill 693. We expect others will testify to the profound need for the many protections, programs, and clarifications in the Renters' Rights and Stabilization Act of 2024. We would like to use our testimony as an opportunity to speak about the importance of three key provisions that are of particular interest to the Clinical Law Program. The first is the increase in the filing fee surcharge and the direction of those funds to the Maryland Legal Services Corporation contained in the proposed amendments to Courts and Judicial Proceedings § 7-301(c)(2). The second is the clear prohibition against landlords passing on these filing fees to tenants contained in the proposed amendments to Courts and Judicial Proceedings § 7-301(c)(5) and Real Property § 8-208(d)(13). The third is the creation of the Office of Tenants' Rights in what would be § 5-101 of the Housing and Community Development Article.

Increasing the surcharge in eviction cases addresses at least two important policy objectives. First, increasing the surcharge will work to encourage landlords to wait for significant rent balances to accrue before pursuing a Failure to Pay Rent case. This will allow tenants who experience brief periods of financial stress to catch up on their rent without having to appear in court. This would result in residential tenants having less need to miss work, pay for childcare, or make alternative arrangements to attend a critical court date. Second, the Bill will result in fewer cases being filed. This will have positive effects throughout the Judiciary and the legal services community. A lower number of eviction cases being filed will lessen the strain on courts and judges who are faced with a flood of eviction filings and overpacked dockets. Fewer cases being filed will also allow legal services organizations, and the Clinical Law Program, to help more tenants and focus more of their limited time on more complex cases. Residential landlords who simply want the money that is owed to them will still be able to collect that money through a traditional civil case—the cost of those filings remains unchanged. Directing that a significant portion of the funds derived from the eviction filing surcharges be disbursed to the Maryland Legal Services Corporation will also help fund a broad range of essential civil legal services work. This legislation will thus lessen the number of eviction cases filed and allow for the hiring of more MLSC-funded attorneys to counsel and defend tenants facing eviction.

The proposed amendments to Courts and Judicial Proceedings § 7-301(c)(5) and Real Property § 8-208(d)(13) address a pervasive issue in Failure to Pay Rent cases. Many residential landlords pass on case filing expenses to tenants, often regardless of whether a

judgment was entered or a case was dismissed. Although these fees are individually small, they can derail a tenant's ability to timely pay their rent and avoid future eviction filings and lead to inescapable spirals that end in unnecessary eviction. In the experience of advocates who have spent extensive time defending tenants in rent court, the assessment of these pass-through filing fees is not often explained to tenants, and tenants are not made aware that the landlord holds them responsible for the fees. Tenants will then pay what they believe to be their rent and still end up facing an eviction action for unpaid filing fees. The subsequent action will again generate filing fees that are passed on to the tenant. This can result in the amount being sought in rent court for unpaid filing fees exceeding the amount of any actual rent obligation.

A striking example of what this Act will help prevent is represented by *Dominion Management v. Reid*, 2020-014100-100231, a 2020 Failure to Pay Rent Case. In this case, a residential landlord assessed filing fees and representation expenses to a tenant, despite there being no judicial award of those expenses or judgment entered against her. Although the tenant timely paid her regular rent monthly, she was still subjected to monthly rent court filings. While these cases were often dismissed, the filing surcharges and agent fees were passed on to the tenant by her landlord and led to more Failure to Pay Rent Cases being filed against her. Only after extensive litigation did the District Court issue a rare written opinion holding that beyond not owing any rent, the tenant was in fact owed a substantial rent credit by the landlord. This case is all too common and illustrates why the provisions prohibiting landlords from passing filing surcharges on to tenants are essential to achieving the goals of the Renters' Rights and Stabilization Act of 2024. Without this key provision, landlords will be able to simply pass on the higher costs of filing eviction actions to tenants.

Finally, we support the creation of the Office of Tenants' Rights in what would be § 5-101 of the Housing and Community Development Article. That Office would fill many gaps that currently exist in the coordination of legal services resources. It would provide a central hub where tenants can obtain actionable legal information and register complaints regarding landlords. There is a significant information gap between tenants and landlords, with many tenants relying on their landlords as a primary source of information regarding housing law and available remedies. Creating and staffing a centralized office tasked with creating educational resources to tenants and operating as a point of contact for reporting housing-related violations will ensure that tenants are aware of their rights and protections, and how to contact the correct legal services organization for any problems they may face.

For the above-stated reasons, we support SB 0481/HB 0693, the Renters' Rights and Stabilization Act of 2024.

The testimony in support of this Bill represents the personal opinions of the faculty members of the Clinical Law Program at the University of Maryland Francis King Carey School of Law and not on behalf of School of Law, the University of Maryland, Baltimore, or the University of Maryland System.