

HB0693 SPONSOR TESTIMONY.pdf

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SPONSOR TESTIMONY

House Bill 693 - Renters' Rights and Stabilization Act of 2024

Dear Chair Korman, Vice Chair Boyce, and Distinguished Members of the House Environment and Transportation Committee,

Maryland is facing a housing crisis, and to address it we need both long-term and short-term solutions. Right now, we must ensure that renters in Maryland can afford their homes, expect stability, and have pathways to homeownership. That is exactly what the Renters' Rights and Stabilization Act of 2024 seeks to accomplish. Our bill proposes the following:

Establishment the Office of Tenants' Rights ("OTR")

This legislation seeks to establish the Office of Tenants' Rights within the Department of Housing and Community Development. The OTR will be responsible for serving as a resource for renters, providing renters with information about their rights under law, disseminating guidance on how to exercise those rights, and acting as an ombudsman to coordinate with relevant state, local, and federal offices as necessary.

Importantly, OTR will be required to create and disseminate a Maryland Tenants Bill of Rights which will serve as a major source of information on renters' rights and must be provided to all tenants as an addendum to their lease. OTR will not have the ability to create new rights. Rather, the Office will ensure that all tenants have access to their rights in plain language and with contact information for OTR.

Right of First Offer and Refusal for Renters

This section of our legislation seeks to create new and better pathways to homeownership by providing renters with a right of first offer and refusal upon sale of a rental property, allowing a renter the option to purchase the property themselves rather than it being sold to another landlord or potential inhabitant. This will prevent displacement, promote social cohesion, and preserve the essence of communities all while creating new pathways to homeownership and wealth creation for Marylanders in communities across the state.

After much collaboration with stakeholders, I am endorsing a compromise amendment to this section that strengthens this right. A recommended amendment is included as an addendum to this testimony. The requested amendments accomplish the following:

1. Tightens the definition of tenant to simplify processes;
2. Incorporates necessary exemptions;



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3. Requires the Office of Tenants Rights to promulgate regulations to receive a copy of notices from the landlord;
 4. Requires notice to be delivered via a means that has tracked shipping;
 5. Cuts the applicability down from properties with 4 units to houses with 3 or fewer units;
 6. Creates a right of first offer. Between 60 and 120 days before placing a property on the market, a landlord shall provide an asking price to the tenant and provide 30 days of exclusive negotiation;
 7. If the offer from the tenant matches the terms offered by the landlord, the owner will move forward with a sale;
 8. If the offer deviates from the initial ask from the landlord, the owner will have 5 days to review and present a counteroffer, and the tenant will have 5 days to accept or reject that counteroffer. If the tenant is not interested in the property, they can waive their right of first refusal unless the final sale comes in 10% or less than the price offered to the tenant;
 9. If an offer comes in without listing the property on the market, a landlord may not close on the property without offering the same price to the tenant. Once notified, the tenant will then have 30 days to match the sales price. If the tenant does not respond, they waive their right. Likewise, if the tenant and owner enter into a contract of sale but it is terminated before settlement, the tenant waives their right of first refusal.

In designing this section, my administration analyzed other jurisdictions and created the following details:

1. This right will apply only to single-family properties and those with three or fewer units;
2. Tenants are not permitted to sale their right of first refusal as in Washington DC;
3. Tenants only obtain this right after residing in the property for 6 months;
4. The notification requirements follow a traditional offer and couter-offer structure; and
5. The proposed Office of Tenants Rights will help tenants navigate this process quickly so as to not create unnecessary delays in the buying process.

Eviction Filing Fee Alterations



This section addresses several issues with the status of Maryland's eviction filing fee.

First, the bill seeks to address the devastating impact that eviction filings in Maryland have on Maryland's families and Maryland's court system. Maryland has a **48.1%** eviction filing rate, by far the highest in the nation, compared to the national average of **7.3%**. The status quo increases families' housing costs and permanently stains tenant's records with an eviction filing record. This legislation raises the eviction filing fee from \$15 to a total of \$100, and prevents the passthrough of the increased fee to families. This will create a new status quo in Maryland where the legal eviction process is used as intended: as a last resort to repossess property.

If this legislation does not include a prohibition on passing the surcharge on to the tenant, there are two anticipated impacts. First, landlords will continue their existing practice to use Maryland courts as a rent collection tool, as they will know that the filing fee will ultimately be recoverable. Second, it will significantly increase the housing costs of low- and moderate-income tenants who are struggling to pay rent on time and need to exercise the right to redemption. Without being punitive to either party, this Maryland-unique solution of blocking the pass through fits appropriately in Maryland's legal ecosystem.

The median rent across all unit sizes in Maryland is [\\$1,819](#). A 5% late fee is equivalent to \$90 that the landlord will be able to recover still but blocking the pass through of the eviction filing fee removes an additional financial barrier on tenants who are simply trying to pay their bills and stay in their homes.

In addition to directly lowering eviction rates, the higher filing fee is anticipated to generate \$25 to \$30 million in increased annual revenue for key housing stability programs in the state, which is proposed to be dedicated as follows:

- 50% of to the Maryland Legal Services Corporation to assist in their representation of Marylanders in eviction cases; and
- 50% to help fund the state's new rental voucher program created by the General Assembly last year.

The overall objective of the Renters Rights and Stabilization Act is to increase housing security in Maryland. Both the State Rental Assistance Voucher Program and the Right to Access to Counsel created by the Maryland General Assembly are key interventions that keep families housed. The proposed eviction filing fee increase creates an increased revenue stream for these key initiatives of the MGA.



Removes Barriers to Becoming Housed

This section creates a number of renter protections that will help Marylanders become housed and stay housed.

The bill seeks to reduce the allowable security deposit for renters in Maryland from two month's rent to one month's rent. This change closes the "first and last month's rent" loophole by limiting the tenant costs to occupy the premises to the security deposit and first month's rent.

The median rent across all unit sizes in Maryland is \$1,819, meaning a tenant can be required to come up with roughly \$5,400, or more, to move in. According to the Federal Reserve, the median American family has [about \\$8,000](#) accessible in savings accounts and [the typical renter has only about \\$3,400 in total savings](#), amounts that could be nearly or entirely used up to pay a two-month security deposit and the first month's rent on a rental unit in Maryland. For many renters, even those with incomes at or above the area median, this places a new home out of reach, and these high up-front costs affect renter mobility and can force renters to stay with landlords despite unreasonable rent increases and/or inadequate housing.

Protections for Renters

The bill seeks to bar evictions in extreme weather or other dangerous conditions. This section builds upon an existing right for administrative judges to stay an eviction in extreme weather conditions by making this a requirement in cases of:

- Temperatures below 32 degrees fahrenheit;
- Winter storm or blizzard;
- Hurricane or tropical storm;
- Excessive heat warning issued by the National Weather Service;
- Public health emergency; or
- Any other state of emergency declared.



Better Data

This section expands the data required to be submitted in an Eviction Data Report to include:

- Street address and city;
- Date the owner filed for warrant of restitution with the court;
- Date of hearing;
- Date warrant was issued by the court;
- Name of property owner;
- Amount of rent and fees owed at time of possession judgment;
- Whether the renter had right to redemption;
- Outcome of warrant (tenant paid to stay, tenant moved, sheriff executed eviction, etc);
- Whether tenant had legal representation at hearing; and
- Whether the tenant appeared at the hearing.

Given the need to address issues that are creating true problems and instability for renters in our state, I respectfully request that the committee issue a favorable report for House Bill 693, the renters' Rights and Stabilization Act of 2024.

Sincerely,
Governor Wes Moore



ATTACHMENT: RIGHT OF FIRST REFUSAL PROPOSED AMENDMENT

Article – Housing and Community Development

5-104.

(A) THE OFFICE SHALL:

(1) DEVELOP RESOURCES TO AID TENANTS IN UNDERSTANDING AND EXERCISING THE LEGAL RIGHTS OF TENANTS, INCLUDING:

(I) A MARYLAND TENANTS' BILL OF RIGHTS, SUMMARIZING THE EXISTING RIGHTS AND REMEDIES AVAILABLE TO RESIDENTIAL TENANTS UNDER STATE AND FEDERAL LAW; AND

(II) A PUBLICLY ACCESSIBLE WEBSITE TO PROVIDE ACCESS TO THE MARYLAND TENANTS' BILL OF RIGHTS AND OTHER RELEVANT INFORMATIONAL RESOURCES;

(2) ESTABLISH POINTS OF CONTACT WITHIN THE OFFICE BY WHICH A TENANT MAY REPORT A VIOLATION BY A LANDLORD OR A PERSON ACTING ON BEHALF OF A LANDLORD FOR REFERRAL TO APPROPRIATE ENFORCEMENT AGENCIES; AND

(3) PROVIDE RESOURCES TO FACILITATE ACCESS BY TENANTS TO CREDIT COUNSELING.

(4) RECEIVE NOTICES AND OTHER DOCUMENTS RELATED TO A TENANT'S EXCLUSIVE NEGOTIATION PERIOD OR RIGHT OF FIRST REFUSAL PURSUANT TO § 8-119 OF THE REAL PROPERTY ARTICLE.

(5) PROMULGATE REGULATIONS RELATED TO THE REQUIREMENTS FOR CONTENT AND DELIVERY OF NOTICES RELATED TO A TENANT'S EXCLUSIVE NEGOTIATION PERIOD OR RIGHT OF FIRST REFUSAL PURSUANT TO § 8-119 OF THE REAL PROPERTY ARTICLE.

5-105.

(A) (1) IN THIS SECTION "PUBLICLY DISCLOSABLE DATA" MEANS DATA THAT IS NOT REQUIRED TO BE WITHHELD FROM DISCLOSURE UNDER THE PUBLIC INFORMATION ACT OR ANY OTHER LAW.

(B) THE DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT SHALL:



(1) PUBLISH THE PUBLICLY DISCLOSABLE DATA RECEIVED BY THE DEPARTMENT PURSUANT TO § 8–119 OF THE REAL PROPERTY ARTICLE IN A DATA DASHBOARD ON THE DEPARTMENT’S WEBSITE; AND

(2) MAKE THE PUBLICLY DISCLOSABLE DATA AVAILABLE FOR DOWNLOAD IN OPEN DATA SETS THAT ALLOW AUTOMATED SEARCHING, SPATIAL ANALYSIS, VISUALIZATION, AND PROCESSING, ON REQUEST BY:

(I) A STATE AGENCY;

(II) AN AGENCY OF A COUNTY OR MUNICIPAL CORPORATION;

OR

(III) AN ACADEMIC INSTITUTION LOCATED IN THE STATE.

Article – Real Property

8–119.

(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(2) “FAMILY MEMBER” MEANS A SPOUSE, FORMER SPOUSE, DOMESTIC PARTNER, FORMER DOMESTIC PARTNER, SON, DAUGHTER, STEPSON, STEPDAUGHTER, PARENT, STEPPARENT, SIBLING, STEPSIBLING, SON-IN-LAW, DAUGHTER-IN-LAW, STEPSON-IN-LAW, STEPDAUGHTER-IN-LAW, PARENT-IN-LAW, STEPPARENT-IN LAW, GRANDPARENT, STEPGRANDPARENT, GRANDCHILD, OR STEPGRANDCHILD.

(3) “OFFER TO PURCHASE” MEANS A GOOD FAITH OFFER TO PURCHASE A RESIDENTIAL RENTAL PROPERTY FOR A PRICE AT WHICH A WILLING SELLER WOULD SELL AND A WILLING BUYER WOULD PURCHASE IN AN ARM’S LENGTH TRANSACTION.

(4) “TENANT” MEANS A LESSEE OF A RESIDENTIAL RENTAL PROPERTY WHO HAS RESIDED AT THE RESIDENTIAL RENTAL PROPERTY FOR NOT LESS THAN 6 MONTHS WHO:

(I) IS A NAMED LESSEE IN THE WRITTEN LEASE; OR

(II) HAS PAID TO THE LESSOR RENTAL PAYMENTS THAT THE LESSOR HAS ACCEPTED UNDER AN UNWRITTEN LEASE AGREEMENT.

(5) “MATERIAL TERMS”:

(I) INCLUDES THE SALES PRICE, SETTLEMENT DATE, AND OTHER CONTINGENCIES;



(II) SHALL NOT INCLUDE THE METHOD OF FINANCING OR WAIVING OF A HOME INSPECTION; AND

(III) SHALL BE COMMERCIALY REASONABLE, FAIR, DONE IN GOOD FAITH, AND ADHERE TO GENERALLY ACCEPTED RESIDENTIAL REAL ESTATE PRACTICES.

(6) “RESIDENTIAL RENTAL PROPERTY” MEANS A TENANT-OCCUPIED RESIDENTIAL RENTAL PROPERTY IMPROVED BY THREE OR FEWER INDIVIDUAL DWELLING UNITS.

(7) “TENANT’S EXCLUSIVE NEGOTIATION PERIOD” MEANS A PERIOD OF TIME IN WHICH A TENANT IS NOTIFIED ABOUT THE TENANT’S RIGHT TO PURCHASE THE PROPERTY AND NEGOTIATE EXCLUSIVELY WITH THE OWNER OF THE RESIDENTIAL RENTAL PROPERTY TO ENTER INTO A CONTRACT OF SALE.

(8) “THIRD PARTY” MEANS A PARTY WHO IS NOT LISTED UNDER SUBSECTION (B) AND IS NOT THE TENANT OF THE RESIDENTIAL RENTAL PROPERTY.

(B) THIS SECTION DOES NOT APPLY TO:

- (1) A TRANSFER OF TITLE TO A FAMILY MEMBER OF THE OWNER;
- (2) A TRANSFER OF TITLE TO A BUSINESS ENTITY OWNED IN WHOLE BY THE OWNER;
- (3) A TRANSFER OF TITLE THROUGH A SHERIFF’S SALE, TAX SALE, ORDER FORECLOSING RIGHT OF REDEMPTION, OR SALE BY FORECLOSURE, PARTITION, OR BY COURT APPOINTED TRUSTEE;
- (4) A TRANSFER BY A FIDUCIARY IN THE COURSE OF THE ADMINISTRATION OF DECEDENT’S ESTATE, GUARDIANSHIP, CONSERVATORSHIP, OR TRUST;
- (5) A TRANSFER OF TITLE PURSUANT TO A TESTAMENTARY DOCUMENT, A TRUST INSTRUMENT OR THROUGH INHERITANCE;
- (6) A TRANSFER OF BARE LEGAL TITLE INTO A REVOCABLE TRUST, WITHOUT ACTUAL CONSIDERATION FOR THE TRANSFER, WHERE THE TRANSFEROR IS THE CURRENT BENEFICIARY OF THE TRUST;
- (7) A TRANSFER OF TITLE TO A GOVERNMENT AGENCY;
- (8) A TRANSFER OF TITLE IN LIEU OF FORECLOSURE OF A MORTGAGE OR DEED OF TRUST;

STATE OF MARYLAND
OFFICE OF THE GOVERNOR



(9) A TRANSFER OF TITLE PURSUANT TO A COURT ORDER, RECEIVERSHIP OR COURT-APPROVED SETTLEMENT;

(10) A TRANSFER OF TITLE PURSUANT TO THE ORDER OF A BANKRUPTCY COURT OR SALE BY A BANKRUPTCY TRUSTEE OR DEBTOR IN POSSESSION;

(11) A GIFT TRANSFER OF TITLE TO ANY NONPROFIT ORGANIZATION EXEMPT FROM TAXATION UNDER § 501(C)(3) OF THE INTERNAL REVENUE CODE;

(12) A TRANSFER OF TITLE BY A PUBLIC HOUSING AUTHORITY; OR

(13) RESIDENTIAL RENTAL PROPERTY WITH FOUR OR MORE INDIVIDUAL DWELLING UNITS.

(C) (1) AS PROVIDED IN THIS SUBSECTION, BEFORE A RESIDENTIAL RENTAL PROPERTY MAY BE OFFERED FOR SALE TO THE PUBLIC OR ANY THIRD PARTY, THE OWNER AND TENANT SHALL ENTER INTO A TENANT'S EXCLUSIVE NEGOTIATION PERIOD FOR THE PURCHASE OF THE PROPERTY.

(2) (I) AT LEAST 60 DAYS, BUT NO MORE THAN 120 DAYS BEFORE A RESIDENTIAL RENTAL PROPERTY MAY BE LISTED FOR SALE WITH A REAL ESTATE BROKER OR OTHERWISE OFFERED FOR SALE TO THE PUBLIC OR ANY THIRD PARTY, THE OWNER OF THE PROPERTY SHALL CAUSE TO BE SENT TO EACH TENANT OF THE PROPERTY, A WRITTEN NOTICE OF THE TENANT'S RIGHT TO DELIVER AN OFFER TO PURCHASE THE PROPERTY.

(II) THE NOTICE SHALL:

1. BE IN THE FORM THAT THE SECRETARY OF THE DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT PRESCRIBES BY REGULATION;

2. BE DELIVERED BY:

A. UNITED STATES POSTAL SERVICE CERTIFIED MAIL, RETURN RECEIPT REQUESTED; OR

B. DELIVERY SERVICE PROVIDING DELIVERY TRACKING AND CONFIRMATION;

3. CONTAIN MATERIAL TERMS THAT THE OWNER WOULD AGREE TO INCORPORATE IN A RESULTING CONTRACT OF SALE WITH THE TENANT;

4. STATE, IN A CONSPICUOUS MANNER, THAT THE NOTICE IS A SOLICITATION OF AN OFFER TO PURCHASE AND IS NOT INTENDED,



AND MAY NOT BE CONSTRUED TO RESULT IN A BINDING CONTRACT OF SALE;
AND

5. STATE ANY INFORMATION REGARDING DEADLINES
FOR THE TENANT TO SUBMIT AN OFFER TO PURCHASE.

(III) THE OWNER SHALL SEND A COPY OF THE NOTICE TO
THE OFFICE OF TENANTS' RIGHTS BY A METHOD THAT THE SECRETARY OF THE
DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT PRESCRIBES BY
REGULATION.

(3) (I) WITHIN 30 DAYS AFTER RECEIPT OF THE NOTICE, THE
TENANT MAY DELIVER TO THE OWNER A WRITTEN OFFER TO PURCHASE THE
PROPERTY.

(II) IF MULTIPLE TENANTS DELIVER OFFERS TO PURCHASE
THE PROPERTY, THE OWNER MAY SELECT THE MORE FAVORABLE
OFFER WITHOUT LIABILITY TO ANY OTHER TENANT.

(III) WITHIN 5 DAYS AFTER RECEIPT OF THE OFFER TO
PURCHASE, THE OWNER SHALL:

1. ACCEPT THE OFFER IF THE OFFER CONTAINS THE
SAME OR MORE FAVORABLE MATERIAL TERMS AS CONTAINED IN THE NOTICE,
AND NOTIFY THE OFFICE OF TENANTS' RIGHTS; OR

2. DELIVER A COUNTEROFFER TO THE TENANT,
WITH AN EXPLANATION OF HOW THE OFFER DEVIATES FROM THE NOTICE, IF
THE OFFER CONTAINS MATERIAL TERMS THAT DEVIATE FROM THE TERMS OF
THE NOTICE.

(4) (I) WITHIN 5 DAYS AFTER RECEIPT OF THE
COUNTEROFFER, THE TENANT MAY:

1. ACCEPT THE COUNTEROFFER; OR

2. REJECT THE COUNTEROFFER.

(II) IF THE TENANT FAILS TO RESPOND TO THE
COUNTEROFFER WITHIN 5 DAYS AFTER RECEIPT OF THE COUNTEROFFER, THE
COUNTEROFFER IS DEEMED TO BE REJECTED AND THE OWNER SHALL NOTIFY
THE OFFICE OF TENANTS' RIGHTS.

(5) IF THE TENANT DOES NOT DELIVER AN OFFER TO PURCHASE
AS PROVIDED IN PARAGRAPH (3) OF THIS SUBSECTION OR IF THE PARTIES DO
NOT ENTER INTO A CONTRACT OF SALE AS PROVIDED IN PARAGRAPH (4) OF THIS



SUBSECTION, THE TENANT'S RIGHT OF FIRST REFUSAL IS TERMINATED AND THE OWNER SHALL NOTIFY THE OFFICE OF TENANT'S RIGHTS.

(D) (1) A TENANT HAS A RIGHT OF FIRST REFUSAL TO PURCHASE RESIDENTIAL RENTAL PROPERTY AS PROVIDED IN THIS SUBSECTION.

(2) A TENANT HAS A RIGHT OF FIRST REFUSAL TO PURCHASE RESIDENTIAL RENTAL PROPERTY IF:

(I) THE OWNER INTENDS TO ACCEPT AN OFFER FROM A THIRD PARTY TO PURCHASE THE PROPERTY THAT IS AT LEAST 10 PERCENT LESS THAN THE LOWEST PRICE OFFERED TO THE TENANT IN ANY PREVIOUS NOTICE, OFFER OR COUNTEROFFER PURSUANT TO SUBSECTION (C) OF THIS SECTION; OR

(II) THE OWNER, WITHOUT HAVING LISTED THE PROPERTY FOR SALE WITH A REAL ESTATE BROKER OR OTHERWISE OFFERED THE PROPERTY FOR SALE TO THE PUBLIC OR ANY THIRD PARTY, RECEIVES FROM A THIRD PARTY AN OFFER TO PURCHASE THE PROPERTY.

(3) (I) IF THE OWNER RECEIVES AN OFFER TO PURCHASE THE PROPERTY FROM A THIRD PARTY AS SPECIFIED IN SUBSECTION (D)(2) OF THIS SECTION, THE OWNER MAY NOT ACCEPT THE OFFER UNTIL:

1. THE OWNER PROVIDES WRITTEN NOTICE TO THE TENANT OF THE TENANT'S RIGHT OF FIRST REFUSAL; AND
2. THE TENANT HAS AN OPPORTUNITY TO EXERCISE THE RIGHT OF FIRST REFUSAL.

(II) THE WRITTEN NOTICE TO THE TENANT OF THE TENANT'S RIGHT OF FIRST REFUSAL SHALL:

1. BE IN THE FORM THAT THE SECRETARY OF THE DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT PRESCRIBES BY REGULATION;

2. BE DELIVERED BY:

- A. UNITED STATES POSTAL SERVICE CERTIFIED MAIL, RETURN RECEIPT REQUESTED; OR
- B. DELIVERY SERVICE PROVIDING DELIVERY TRACKING AND CONFIRMATION;

3. CONTAIN THE SAME SALES PRICE AS THE THIRD-PARTY OFFER TO PURCHASE.



4. STATE, IN A CONSPICUOUS MANNER, THAT THE NOTICE IS A SOLICITATION OF AN OFFER TO PURCHASE AND IS NOT INTENDED, AND MAY NOT BE CONSTRUED TO RESULT IN A BINDING CONTRACT OF SALE;

5. STATE ANY INFORMATION REGARDING DEADLINES FOR THE TENANT TO SUBMIT AN OFFER TO PURCHASE;

(III) THE OWNER SHALL SEND A COPY OF THE NOTICE TO THE OFFICE OF TENANTS' RIGHTS BY A METHOD THAT THE SECRETARY OF THE DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT PRESCRIBES BY REGULATION.

(4) (I) THE TENANT MAY, WITHIN 30 DAYS OF RECEIPT OF THE NOTICE UNDER PARAGRAPH (D)(3) OF THIS SUBSECTION, DELIVER AN OFFER TO PURCHASE THE PROPERTY TO THE OWNER.

(II) IF A TENANT DELIVERS AN OFFER TO PURCHASE AT THE SAME SALES PRICE AS THE THIRD-PARTY PURCHASER'S OFFER AS PROVIDED IN THIS PARAGRAPH, THE OWNER SHALL ACCEPT THE OFFER AND NOTIFY THE OFFICE OF TENANTS' RIGHTS.

(III) IF MULTIPLE TENANTS DELIVER OFFERS TO PURCHASE THE PROPERTY, THE OWNER MAY SELECT THE MORE FAVORABLE OFFER WITHOUT LIABILITY TO ANY OTHER TENANT.

(5) IF THE TENANT DOES NOT DELIVER AN OFFER TO PURCHASE THE PROPERTY AS PROVIDED IN PARAGRAPH (4) OF THIS SUBSECTION, THE OWNER MAY ACCEPT THE THIRD-PARTY PURCHASER'S OFFER OF SALE AND THE TENANT'S RIGHT OF FIRST REFUSAL IS WAIVED AND THE OWNER SHALL NOTIFY THE OFFICE OF TENANTS' RIGHTS.

(6) IF THE TENANT AND THE OWNER HAVE ENTERED INTO A CONTRACT OF SALE UNDER PARAGRAPH (4) OF THIS SUBSECTION, BUT THE CONTRACT IS TERMINATED BEFORE SETTLEMENT, THE TENANT'S RIGHT OF FIRST REFUSAL IS WAIVED AND THE OWNER SHALL NOTIFY THE OFFICE OF TENANT'S RIGHTS.

(7) IF A THIRD PARTY DELIVERS AN OFFER TO PURCHASE, THE OWNER SHALL PROVIDE NOTICE TO THE THIRD PARTY ABOUT THE TENANT'S RIGHT OF FIRST REFUSAL UNDER THIS SUBSECTION.

(E) THIS SECTION SHALL NOT BE CONSTRUED AS PROHIBITING AN INDIVIDUAL FROM SUBMITTING AN OFFER TO PURCHASE A PROPERTY LEASED BY THE INDIVIDUAL THAT IS LISTED FOR SALE WITH A LICENSED REAL ESTATE BROKER.



(F) THIS SECTION SHALL NOT BE CONSTRUED AS PROHIBITING MULTIPLE TENANTS FROM JOINTLY DELIVERING AN OFFER TO PURCHASE, OR FROM JOINTLY CONTRACTING TO PURCHASE, RESIDENTIAL RENTAL PROPERTY.

(G) THIS SECTION PREEMPTS ANY LOCAL LAW OR ORDINANCE GOVERNING THE RIGHT OF FIRST REFUSAL OF A JURISDICTION OR TENANT FOR THE PURCHASE OF A RESIDENTIAL RENTAL PROPERTY.

(H) THE RIGHTS OF A TENANT UNDER THIS SECTION MAY NOT BE WAIVED OR ASSIGNED AND ANY ATTEMPTED WAIVER OR ASSIGNMENT IS VOID.

(I) AN OWNER OF RESIDENTIAL REAL PROPERTY WHO VIOLATES THIS SECTION IS GUILTY OF A MISDEMEANOR AND ON CONVICTION IS SUBJECT TO A FINE OF NOT MORE THAN \$1,000 PER VIOLATION.

(J) A TENANT MAY SEEK RELIEF FROM A COURT OF COMPETENT JURISDICTION TO RESTRAIN OR ENJOIN ANY VIOLATION OF THIS SECTION PRIOR TO THE CLOSING OF A CONTRACT OF SALE BETWEEN THE OWNER AND TENANT.

(K) (1) FOLLOWING CLOSING ON A CONTRACT OF SALE BETWEEN OWNER AND TENANT, LIABILITY FOR FAILURE TO COMPLY WITH THIS SUBSECTION SHALL LIE SOLELY WITH THE OWNER AND SHALL NOT ATTACH TO THE PROPERTY THAT IS THE SUBJECT OF THE REQUIRED NOTICE OR AFFECT THE RIGHTS OF THE PURCHASER.

(2) A TENANT WHO BRINGS AN ACTION AFTER CLOSING ON A CONTRACT OF SALE BETWEEN OWNER AND TENANT IN ANY COURT OF LAW AGAINST AN OWNER FOR FAILING TO PROVIDE THE NOTICE REQUIRED BY THIS SECTION MAY NOT FILE A NOTICE OF LIS PENDENS PURSUANT TO MARYLAND RULE 12-102; UPON MOTION OF A PARTY IN INTEREST THE COURT SHALL STRIKE A WRONGFULLY FILED NOTICE OF LIS PENDENS WITHOUT NEED FOR A HEARING.

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Uploaded by: Anna Levy

Position: FAV

February 20, 2024

Anna T. Levy
Rockville, MD 20852

TESTIMONY ON BILL HB0693 – Position: FAVORABLE
Renters Rights and Stabilization Act of 2024

TO: Chair Korman, Vice Chair Boyce, and Members of the House Environment and Transportation Committee

FROM: Anna T. Levy

My name is Anna T. Levy, a resident of Rockville, MD, District 16. I am submitting this testimony in support of HB0693, Renters Rights and Stabilization Act of 2024.

Safe and stable housing has far reaching economic, health, and social benefits for individuals, families, and communities, and is key to reducing racial inequities. The home is a critical source of stability for individuals and families. It provides a nexus for social interactions for families, friends, and communities. We know from published research, including a recent analysis by the [Maryland Center for Economic Policy](#), and those of Matthew Desmond and Princeton's Eviction Lab, that the disruption resulting from evictions contributes to long term physical, psychological, educational, and economic damage that can condemn people to poverty and destabilize communities. We also know that evictions often cause continually growing debts that are often impossible for families to pay off, much less to get ahead of and ultimately achieve financial stability.

Evictions create significant costs for state and local government related to funding for shelter and education, as well as health care provided in hospitals instead of by community-based providers, transportation costs for homeless youth, and foster care. Notably, evictions have a disparate impact on Black and brown households in Maryland. Decreasing the number of evictions would help to reduce significant racial inequities and strengthen the financial status of individuals and our communities. Thus, we have an obligation to make sure that people can stay in their homes.

HB0693 addresses several issues that can help Maryland families move toward financial and housing stability and reduce the high rate of eviction filings in our state.

Reducing the maximum allowable security deposit from two, to one month's rent will remove a financial barrier for thousands of families. Additionally, many renters are unaware of their rights and responsibilities and of the services available to them. The creation of a new Office of Tenants' Rights will provide a central resource for renters to access this information in a timely way. Eviction data collected by the Office will help the state to develop better policies.

Maryland has one of the lowest court filing fees for evictions in the country. Increasing the court filing fee will help to deter serial eviction filings. It is imperative that the bill maintain the current language which does not allow the increased fee to be passed on to renters. Passing

on the fee would further jeopardize a renter's ability to pay off their owed rent and fees, especially when late fees are added on the amount owed, causing renters to fall even further behind and make eviction more probable. The additional fee should be an incentive to landlords to work with renters to put in place plans so that they are able to stay current on rent.

I respectfully urge a favorable report from the Committee in support of passage of HB0693.

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Uploaded by: Brandon Scott

Position: FAV



BRANDON M. SCOTT
MAYOR

*Office of Government Relations
88 State Circle
Annapolis, Maryland 21401*

HB0693

February 20, 2024

TO: Members of the House Environment and Transportation Committee

FROM: Mayor Brandon M. Scott, City of Baltimore

RE: House Bill 693 – Renters Rights and Stabilization Act of 2024

POSITION: Support

Chair Korman, Vice Chair Boyce, and Members of the Committee, please be advised that the Baltimore City Administration (BCA) **supports** House Bill (HB) 693.

HB 693 would enhance protections for renters, strengthen the enforcement of existing laws, and reduces the impact of evictions on Baltimore families.

A number of key components of the legislation include strategies the BCA supports or are already reflected in the work underway in the City, such as establishing the Office of Tenant Rights (“OTR”), increasing eviction filing fees to fund critical programs, voucher program prioritization, new renter protections and new reporting requirements. The BCA is committed to working with the Governor and the Administration to continue to discuss how to protect tenants’ rights before and during the course of eviction.

Baltimore City renters already enjoy some additional protections assisted by the work of Baltimore City Department of Housing and Community Development (DHCD). Some of the contributions to the arena of tenant protections include:

- Using CDBG-COVID and other sources to fund the provision of legal advice, and, in some cases, representation to renters facing eviction and other landlord-tenant issues through local nonprofits such as; Maryland Legal Aid, Public Justice Center, Homeless Persons Representation Project, Pro Bono Resource Center of Maryland/Tenant Volunteer Lawyer of the Day Program, Disability Rights Maryland and the Maryland Courts Self-Help Center. HB693 would help to address capacity limitations.
- DHCD’s Code Enforcement & Legal Division pursue litigation of problem landlords and issue notices and citations to tenants for violations they are responsible for under the code. DHCD dedicates three property maintenance inspectors that serve as “escrow inspectors” for the Court in rent escrow actions. These inspectors conduct investigations as a result of

an escrow case and testify in rent Court. DHCD attorneys prosecute illegal lockouts/denial of essential services charges and pursue actions against landlords who demonstrate a pattern of failing to comply with outstanding violation notices. In other instances, DHCD can file nuisance actions against tenants for criminal activity that may result in eviction under the State Drug Nuisance statute.

- DHCD property and registration staff provide copies of license verification documents for tenants to use in Court when seeking to defend failure to pay rent cases in unlicensed properties. The intersection of code enforcement and evictions often lead to DHCD's frequent contact with rent court.

DHCD has also been working with the District Court, the Sheriff's Office and legal assistance providers to leverage resources outside the legal system to protect Baltimore families from eviction. DHCD has been working to implement City Council Bill 20-0625 Landlord-Tenant - Right to Counsel in Eviction Cases¹ which provides eligible tenants with access to counsel in eviction proceedings.

HB 693 would coalesce existing rights, add tenants' rights of first refusal, add the right not to be evicted in emergencies, cap security deposits at one month's rent and prioritizes vouchers for households with children under 5, among other changes. A number of key components of the legislation enhance or expand protections for renters that are desperately needed for Baltimore families.

For these reasons, the BCA respectfully request a **favorable** report on HB 693.

¹ <https://baltimore.legistar.com/LegislationDetail.aspx?ID=4659244&GUID=77F2AE9E-8F22-4DA9-8248-775803D3C766&Options=ID%7CText%7C&Search=20-0625>

HB 693 Renters Stabilization .pdf

Uploaded by: Chelsea Ortega

Position: FAV



SANTONI, VOCCI & ORTEGA LLC

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HB 693 - Renters' Rights and Stabilization Act of 2024
Hearing before the House Environment and Transportation Committee, Feb. 20, 2024
Position: SUPPORT (FAV)

Santoni, Vocci & Ortega, LLC is part of Renters United Maryland and urges you to move favorable on HB 693. Santoni, Vocci & Ortega, LLC is a private tenants' rights firm, representing tenants living in uninhabitable conditions, or have been the subject of an illegal eviction or debt collection violations. There is a significant need for each component of HB 693 that advances the housing security of Maryland renters including:

- **Reducing the maximum allowable security deposit to one month's rent.** Too often renters have to move on very short notice to escape from uninhabitable housing or to take advantage of a new job. There are numerous barriers to this move. Lowering the maximum allowable security deposit from two months' rent to one month's rent will help address the security deposit barrier to such a move and increase housing mobility for thousands of families.
- **Creating a new Office of Tenants' Rights and collecting better eviction data.** Additional education resources are needed in Maryland. Most renters who we assist would benefit from learning sooner about their rights and responsibilities. And the state can adjust its policies with better eviction data.
- **Standardizing when evictions are paused** for inclement weather or other emergencies.
- **Providing greater homeownership opportunities.** The right of first refusal, which has existed in Baltimore City for decades, would help increase access to homeownership. Technical and financial support will be needed for lower income households, but HB 693 lays the foundation.
- **Increasing the court filing surcharge to deter serial eviction filing.** Raising the eviction filing surcharge – *without passing it onto the tenant* – would further disincentivize serial filing. Maryland's uniquely high serial eviction filing rate means that prospective landlords will turn down the applications of families who may be desperate to move but have dozens of rent complaint filings on their rental history.

Do not make tenants pay more for their own eviction! It is essential that the Committee maintains the current language in the bill that stops the court and landlords from passing this increased surcharge onto tenants for the following reasons:

1. **Passing the fee onto tenants would more than double the total amount that tenants must pay to "pay and stay" and avoid eviction and homelessness.** To "pay and stay" from a rent court judgment, the tenant must pay court costs. If the bill is amended to allow a pass through of the increased fee, this means doubling the total amount a resident must pay to redeem (from \$60 to

\$145; or \$80 to \$165 in Balt. City). *Some families will be unable to pay the fee – especially very low income, subsidized tenants whose rent is often only \$50/month – and will be evicted because of the increased fee.*

2. **“Judicial discretion” for passing on the fee is what happens now. Tenants normally lose because most cases end in default judgments for the landlord plus costs.** Over 90% of rent cases that are not dismissed end in a “default judgment” against the tenant. The Court checks a box on the form: “Judgment in favor of Landlord for possession of the premises and costs.” This is the current exercise of “discretion,” and the tenant almost always loses. When the case is dismissed, the landlord *still* assesses the costs against the tenant via their lease provisions – even if the case is dismissed. The landlord then allocates the next payment first to the additional fee, leaving the tenant behind on the rent for the next month – spiraling into greater debt. Even if eviction filings are reduced by 25% from this policy, that leaves appx. 300,000 eviction filings/year, the vast majority of which will include a \$85 increased fee that vulnerable households will have to pay to avoid eviction.
3. **Allowing a fee pass-through defeats a major purpose of the bill, which is to disincentivize serial eviction filing.** If the landlord can recover the increased surcharge, it will have little effect on landlord eviction filing rates.
4. **Tenants still have an incentive to pay the rent in a timely fashion because landlords can still assess a 5% late fee and court filing fee – just not this increased surcharge.**
5. **If a landlord truly wants to evict a tenant who is chronically late, then after three judgments the landlord can foreclose on the right to redeem (i.e., no “pay and stay”).** There is no need for the landlord to continue seeking judgments and passing on the increased surcharge.
6. **When fully funded, Access to Counsel in Evictions will assist annually tens of thousands of tenants who have a defense, but it does not solve Maryland’s significant affordability gap:** There are 193,819 extremely low-income (\$31,600/year for family of four) renter households in Maryland. 74% of those households are severely cost-burdened, i.e., paying more than 50% of their income in rent. These households are one paycheck or expense away from facing an eviction.
7. **Landlords can collect “future rent” right now – but they still file in rent court each month.** Landlords claim they must file a rent complaint each month because courts refuse to award “future rent,” i.e., rent that comes due between filing and trial, but that is not true. Lawyers from 12 jurisdictions around the state have verified that courts routinely award landlords future rent.

Even an amendment that would allow landlords to pass through the fee to tenants only after the 3rd failure-to-pay-rent filing in a year would still fall disproportionately on the renters who are least able to pay the increased fee because they are often on the brink of eviction. In the experience of our

organization, landlords file against the same tenant repeatedly within the year because the purpose of the eviction filing is not eviction *per se* but rather debt collection.¹ For example, if there is a dispute between the landlord and tenant over \$500 in rent or other fees, the tenant may pay the \$1,000 monthly rent timely, but the landlord may still file an eviction complaint for multiple successive months because there remains a \$500 back balance to which the landlord allocates first the tenant's payment each month, charging a late fee in each of those months as well. Even with a prohibition on pass-through of this surcharge, tenants still have ample incentive to pay the rent timely to avoid late fees and the current court costs that landlord pass through pursuant to statute. This additional proposed surcharge should instead serve as an incentive for the landlord to attempt to work with the tenant, accept a payment plan, and connect the tenant to social services if needed, instead of skipping straight to an eviction filing each month.

Santoni, Vocci & Ortega, LLC is a member of Renters United Maryland, a statewide coalition of renters, organizers, and advocates, and **we urge the Committee's report of Favorable on HB 693.**

¹ "The execution of an eviction is a double-edged sword for landlords, who must balance the costs of unit turnover with those of allowing a tenant to remain in rent arrears. But this is not the case for filing. *Filing* costs a modest fee, and initiates a legal process that leverages the power of the state both symbolically and physically to encourage the tenant to pay her late rent. Moreover, the process of repeated ("serial") filing for eviction and charging late fees, even on tenants who are expected to eventually pay their rent, is used by some landlords as an additional revenue source." Drs. Philip ME Garboden and Eva Rosen, *Serial Filing: How Landlords Use the Threat of Eviction*, City and Community: A Journal of the Community and Urban Sociology Section of the American Sociological Association, Vol. 18, No. 2, June 2019, at 11-12 (emphasis original) (internal citations omitted).

2024.02.20 HB0693 Favorable.pdf

Uploaded by: Christiana Rigby

Position: FAV



Howard County Council

George Howard Building
3430 Court House Drive
Ellicott City, Maryland 21043-4392

Christiana Rigby
Councilmember

District 3

TESTIMONY IN SUPPORT OF HB0693 Renters' Rights and Stabilization Act of 2024

February 20, 2024

Dear Chair Korman, Vice Chair Boyce, and Members of the Environmental and Transportation Committee:

Thank you for the opportunity to provide testimony to the Committee. I am writing to express my strong support for HB0693, legislation that increases the eviction filing fee surcharge and prohibits the District Court from assigning the surcharge to a tenant, establishes an Office of Tenant Rights, creates new renter protections, and prioritizes the new Statewide Rental Assistance Voucher Program to assist families with children under age five.

Maryland has the highest eviction filing rate in the Country at 48.1 percent, compared to the national average of 7.3 percent. Eviction proceedings disproportionately impact low-income renters as court costs and late fees can increase housing costs by 20 percent. Our residents feel the impact of Maryland's housing shortage as 52 percent of renters are cost-burdened.

The formation of an Office of Tenant Rights would directly address concerns I have heard from residents in Howard County. Renters have few places to turn to when they need help with rodents, maintenance, leasing changes, and more. Establishing an Office of Tenant Rights gives renters, particularly cost-burdened renters, access to resources that greatly increase housing stability.

With the cost of living continuing to rise and wages remaining stagnant, now is the time to act on the state level. Local jurisdictions have already enacted similar legislation. Howard County's right to purchase legislation, [CB13-2020](#), applies to properties with five or more units and is complimentary to the proposed State legislation. HB0693 provides essential protections to renters across the State of Maryland and creates a more equitable system for evictions.

Thank you for your consideration of this legislation, and I respectfully encourage a favorable report.

Yours in service,

A handwritten signature in black ink that reads "Christiana Rigby".

Christiana Rigby

CDN HB 693 FAVORABLE.pdf

Uploaded by: Claudia Wilson Randall

Position: FAV



Testimony HB 693
House Environmental and Transportation Committee
February 20, 2024
Position: FAVORABLE

Dear Chairman Korman and Members of the Environment and Transportation Committee:

The Community Development Network of Maryland (CDN) is the voice for Maryland's community development sector and serves nearly 200 member organizations. CDN—focuses on small affordable housing developers, housing counseling agencies and community-based non-profits across the state of Maryland. The mission of CDN is to promote, strengthen and advocate for the community development sector throughout Maryland's urban, suburban and rural communities. CDN envisions a state in which all communities are thriving and where people of all incomes have abundant opportunities for themselves and their families.

HB 693 - This legislation would increasing maximum surcharges for certain eviction proceedings from \$8 to \$93 and prohibiting the District Court from assigning the surcharge against a tenant; altering the priority and criteria in the Statewide Rental Assistance Voucher Program that are followed by the Department of Housing and Community Development and public housing agencies for providing vouchers and housing assistance payments to families; limiting the maximum security deposit required by a residential lease to 1 month's rent; etc..

Maryland is among the states with the highest eviction filings in the country. The low filing fees do not benefit tenants or property owners in our state. High rates of eviction are correlated with high rates of poor health, economic instability and poor educational outcomes. Communities with high rates of evictions cannot have successful schools and stable businesses. Affordable, stable, and accessible housing and robust housing choice are the foundation upon which just and equitable communities are built. Maryland's current filing system fuels the power imbalance between renters and landlords and puts renters at greater risk of harassment and homelessness and fuels racial inequity.

The consequences of evictions are deep and long lasting and compromise public safety. Funding for the Statewide Rental Assistance Voucher Program can help stabilize households and communities throughout Maryland.

We urge your favorable report for HB 693.

Submitted by Claudia Wilson Randall, Executive Director

Testimony in support HB 693 Hatcher 2.16.24.pdf

Uploaded by: Dan Hatcher

Position: FAV

**TESTIMONY IN SUPPORT OF HB 693:
Renter's Rights and Stabilization Act of 2024**

TO: Hon. Marc Korman, Chair, and members of the Environment and Transportation Committee
FROM: Daniel L. Hatcher, Professor of Law, University of Baltimore, Civil Advocacy Clinic
DATE: February 16, 2024
RE: HB 693 – Support

Dear Chairman Korman and Members of the Committee:

Thank you for the opportunity to present testimony in support of HB 693. I am a law professor in the University of Baltimore's Civil Advocacy Clinic, in which law students represent low-income clients in wide variety of poverty related matters—including housing. In addition to our clinic's support for this bill, our law school as a whole supports efforts to strengthen access to counsel for vulnerable litigants. Dean Ronald Weich is an ex officio member of the Maryland Access to Justice Commission, which supports this bill.

HB 693 is needed to protect the rights of low-income Marylanders.

In the law school clinic that I have taught for almost twenty years, we encounter individuals who are striving for economic stability to support their families, to support their communities, and to be productive members of our local and state economies. As the individuals strive to do well in the face of numerous difficulties, housing concerns can make their struggles even more difficult. The instability and trauma that can result from the threat of losing housing can set off a chain of events of increasing struggles with poverty that can become almost impossible to overcome. If housing can be better stabilized, everything else can be better stabilized.

HB 693 will expand crucially needed access to legal representation for tenants to protect their rights and help reduce housing instability. In my years of witnessing low-income individuals encounter confusing court process, it is clear that access to counsel helps the individuals better navigate the process—and greatly helps the courts in ensuring that justice can be pursued.

HB 693 will help all of us.

With greater access to counsel, stability for low-income tenants will be improved, and stability for Maryland's communities will be improved.

It is Crucial that HB 693 prohibits pass-through of the filing fee.

A crucial part of HB 693 is that the bill prohibits district courts from assigning the filing fees against the tenants. Without this prohibition, the filing fees could become harmful to the low-income litigants and increase their economic instability.

I therefore support HB 693 and respectfully request a favorable report.

Comments on HB 693, Renters' Rights and Stabilizat

Uploaded by: Dan Reed

Position: FAV



Chair Marc Korman
and Members, Environment and Transportation Committee
House Office Building
6 Bladen Street
Annapolis, Maryland 21401

February 20, 2024

Dear Chair Korman and Members of the Environment and Transportation Committee:

My name is Dan Reed and I serve as the Regional Policy Director for [Greater Greater Washington](#), a nonprofit that works to advance racial, economic, and environmental justice in land use, transportation, and housing throughout Greater Washington. **GGWash supports House Bill 693, the Renters' Rights and Stabilization Act**, which strengthens tenant protections at a time when many renters face rising housing costs and limited housing options.


As written, this bill would cap the security deposit required by a lease to one month's rent, making it easier for renters to access housing by reducing move-in costs. It would also ban evictions in extreme weather conditions and increase eviction filing fees, which creates a disincentive for landlords to file frivolous evictions while raising much-needed funds for rental assistance and legal aid. Additionally, the bill would create a new Office of Tenants' Rights that would publish a Maryland Tenants' Bill of Rights so that renters understand the protections afforded to them.

You will hear many times this session that Maryland has a housing shortage, and one consequence is that it's easier for landlords to take advantage of renters due to a lack of housing options. This bill would take several steps to ensure that Marylanders can find and keep stable, secure places to live. We urge the Environment and Transportation Committee to give this bill a favorable report.

Sincerely,

A handwritten signature in black ink that reads 'Dan Reed'.

Dan Reed
Regional Policy Director

The Washington, DC region is great  and it can be greater.

UMB Clinical Law Program Testimony in Support 202

Uploaded by: Daniel Rosenberg

Position: FAV

**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.

HB693_EmilyBlank_Fav (1).pdf

Uploaded by: Emily Blank

Position: FAV

Date of Hearing 2/20/24

Emily C Blank
Brentwood, MD

TESTIMONY ON HB693 - POSITION: FAVORABLE
Renters Rights and Stabilization Act of 2024

TO: Chair Korman, Vice Chair Boyce, and members of the Environment and Transportation Committee

FROM: Emily C. Blank

OPENING: My name is Emily C Blank. I am a resident of District (47a). I am submitting this testimony in support of (HB693), Renters Rights and Stabilization Act of 2024.

I am a member of Congregation Oseh Shalom and taught in the economics department at Howard University until I retired last year. I am also involved with the Poor People's Campaign.

I firmly believe that raising the filing fee for eviction procedures from \$8 to \$93 and preventing the landlord(lady) from charging the tenant for that fee will serve the citizens of Maryland. The fee of \$93 will provide a disincentive for landlords to file eviction proceedings for frivolous reasons, but is not large enough to discourage a landlord who is seriously injured. I further think it is a good idea to limit the amount of cash the tenant must front at the beginning of the tenant-landlord relationship.

Given the housing shortage and the high cost of the housing that IS available, it is important that tenants be protected from abuse by landlords.: **I respectfully urge this committee to return a favorable report on HB693.**

BaltimoreCounty_FAV_HB0693.pdf

Uploaded by: Giuliana Valencia-Banks

Position: FAV

JOHN A. OLSZEWSKI, JR.
County Executive



JENNIFER AIOSA
Director of Government Affairs

AMANDA KONTZ CARR
Legislative Officer

WILLIAM J. THORNE
Legislative Associate

BILL NO.: **HB 693**

TITLE: Renters' Rights and Stabilization Act of 2024

SPONSOR: Speaker Jones – By Request of the Department of Housing and
Community Development

COMMITTEE: Environment and Transportation

POSITION: **SUPPORT**

DATE: February 20, 2024

Baltimore County **SUPPORTS** House Bill 693 – Renters' Rights and Stabilization Act of 2024. This legislation takes a number of positive steps to help protect vulnerable tenants in Maryland.

Maryland has the highest eviction filing rate in the nation and Baltimore County has the highest failure to pay rent filing rates in the State. The current status quo allows landlords to use the court system as a de facto collection agency. Existing law permits District Courts to assess a surcharge of no more than \$8 for a summary ejectment case. The legislation proposes raising the ceiling to \$93, and applying it to tenant holding over cases and a "breach of lease that seeks a judgement for possession of residential property against a residential tenant." As a result of this change, the cost of filing an eviction would be raised from \$15 (the lowest in the nation) to \$100 (much closer to the nationwide average).

The collected funds would be equally allocated to two programs – the Statewide Rental Assistance Voucher Program and the Maryland Legal Services Corporation (MLSC). The statewide voucher program – established last year with a requirement to be funded at \$10M annually – but lacks an consistent source of funding, as a funding source was not identified in the legislation. MLSC provides access to counsel to tenants in eviction filing cases that could not otherwise afford counsel. This change to eviction filing policy is a "win-win" that helps protect tenants from frivolous and repeated filings and funds programs that provide both housing opportunities and tenant protections.

Second, the legislation adjusts the prioritization categories of the new statewide voucher program. Currently, the program is required to equally prioritize households with a child under

the age of 18, a foster child between the age of 18-23, a military veteran, an individual experiencing homelessness, a disabled individual, or an elderly individual. The legislation would shrink this category to 50% of the prioritized households, and remove households with children from under age 5 from this category. The other 50% of prioritized households would be those with children under age 5 and those with a pregnant individual. Baltimore County recognizes that provision is in line with Governor Moore's goal to reduce childhood poverty.

Third, the legislation establishes the Office of Tenant's Rights (OTR) within the State Department of Housing and Community Development (DHCD). Baltimore County strongly supports this provision, which recognizes the need to provide renters with a centralized place to access information about their rights and how they can be accessed. Renters are frequently at risk of unfair treatment by landlords, and should be provided an easier way to understand their rights as tenants. The County currently funds landlord-tenant advocacy services as part of its fair housing activities.

Fourth, the legislation creates a right of first refusal for tenants. Under this provision, a landlord cannot sell a property without offering a renter the option to purchase the property themselves at an identical price. The right would only apply to single-family homes and properties with four or less units. Slightly different timelines (related to notification and the decision to either waive or exercise the right to purchase the property) are created for the two categories to accommodate the possibility of a group of multiple tenants purchasing a property with multiple units. The right only applies to tenants who have resided at the property for at least 6 months. The proposed Office of Tenant's Rights is intended to help tenants navigate the right of first refusal process. Baltimore County supports this provision, which is intended to reduce potential displacement and promote pathways to homeownership.

Fifth, the legislation creates certain renter protections. It reduces the allowable security deposit for renters from two month's rent to one month's rent, removing the ability to charge "first and last month's rent." This would lower the barrier to access housing and limit the amount of money that a landlord could choose to not refund when a tenant leaves the property. Additionally, the legislation creates the requirement for a court to stay an execution of a warrant of restitution of residential property in the event of certain extreme weather conditions. This would ensure that a tenant cannot be evicted and left without housing during significant weather events such as freezing weather, a winter storm or blizzard, a hurricane or tropical storm, or excessive heat. Baltimore County believes the change to the security deposit provision and the extreme weather protections are significant positives for individuals seeking to obtain or maintain access to housing.

Finally, the legislation expands the type of data that the Judiciary must provide the State DHCD with on a monthly basis. This data includes critical pieces of information, such as the amount of rent and fees owed at the time of possession judgement, whether the renter had an option for redemption, whether the tenant appeared at the hearing, and if they had representation at the hearing. This data collection could be beneficial in guiding future policy changes that seek to help protect renters.

Collectively, this legislation takes major steps forward in making Maryland a state that prioritizes housing stability and the protection of renters from unfair and unjust treatment.

Accordingly, Baltimore County urges a **FAVORABLE** report on HB 693 from the House Environment and Transportation Committee. For more information, please contact Jenn Aiosa, Director of Government Affairs at jaiosa@baltimorecountymd.gov.

HB 693 - SUPP - E&T - Renters' Rights and Stabili

Uploaded by: Henry Bogdan

Position: FAV



marylandnonprofits.org

1500 Union Avenue | Suite 2500 | Baltimore, MD 21211
410.727.6367 | 800.273.6367 | Fax 410.235.2190

February 20, 2024

Testimony on House Bill 693
Renters' Rights and Stabilization Act of 2024
House Environment and Transportation Committee

Position: Favorable

Maryland Nonprofits is a statewide association of more than 1800 nonprofit organizations and institutions. We urge you to support House Bill 693 and approve Governor Moore's proposed Renters' Rights and Stabilization Act of 2024 to expand protections and resources available to Maryland tenants.

House Bill 693 will:

- 1) establish an Office of Tenant Rights in the Department of Housing and Community Development responsible for providing renters with information about their rights under law and creating a Tenant's Bill of Rights;
- 2) address the high eviction filing rate in the nation by increasing the eviction filing fee and preventing it from being passed on to renters;
- 3) create new dedicating funding for the Statewide Rental Assistance Voucher Program and the Maryland Legal Services Corporation Fund established under § 11-402 of the Human Services Article;
- 4) reduce the allowable security deposit from two months rent to one month;
- 5) create a powerful new pathway to homeownership by creating a statewide 'right of first refusal', allowing renters the right to purchase their home if being sold;
- 6) modify the state's new rental voucher program to provide prioritization of vouchers for families with children under the age of five and for pregnant women.

Maryland Nonprofits' broad membership includes organizations serving the entire spectrum of individual, family and community needs across our state. This perspective allows us to see better than most that resolving poverty and the social and economic inequities that burden the lives of too many Marylanders, particularly families and communities of color, requires addressing the multiple interconnected challenges that they face every day. Factors such as lack of available transportation, food insecurity, unaffordable childcare, and access to adequate health care and services, all impact the health and education of children, the opportunity to access to jobs and stable employment, the ability to build a sustaining level of wealth, and more. Access to safe, stable, and affordable housing is essential to meeting most if not all of these needs.



Maryland Nonprofits' mission is to strengthen organizations and networks for greater quality of life and equity.

Housing instability is a serious problem for low- and moderate-income renters – Maryland saw well over 18,000 evictions last year. Even if they sacrifice to pay a rent increase, tenants are subject to non-renewal without any cause, even if they are willing to sacrifice to pay rent increases, if the landlord desires to find higher income tenants to pay even higher rents, or to remove a tenant ‘too demanding’ of services that are the landlord’s responsibility.

While House Bill 693 does not resolve all issues facing tenants in Maryland, and we will continue to support much needed increases in eviction prevention funding and services, measures like the creation of a statewide ‘right of first refusal for tenants’ and others in the Renters' Rights and Stabilization Act of 2024 are substantial steps forward.

We urge you to give House Bill 693 a **favorable report**.

HB0693_FAV_City of Rockville_Renters' Rights & Sta

Uploaded by: Izola Shaw

Position: FAV



Testimony of the Mayor and Council of Rockville
HB 693 – Renters’ Rights and Stabilization Act of 2024
SUPPORT

Good afternoon, Chairman Korman and members of the House Environment and Transportation Committee. My name is Izola Shaw. I am a Rockville City Councilmember and a tenant, and I thank you for this opportunity to provide testimony in support of HB 693.

The City of Rockville Mayor and Council unanimously support HB 693, which creates a state Office of Tenants’ Rights, increases the filing fee for an eviction, directs the new Office to create a Maryland Tenants’ Bill of Rights, reduces the maximum amount of a security deposit, establishes the right of first refusal, and enhances other renter protections.

We strongly support the provisions of HB 693 for the following reasons:

- Forty-five percent of Rockville households are renters, and this number is continuing to grow. Our residents would greatly benefit from the additional protections and resources in the legislation.
- A state Office of Tenants’ Rights would create another resource for Rockville tenants to go to in seeking guidance and support, which could potentially reduce the volume of requests made to City staff. Since July 5, 2023, City staff have received 441 inquiries, with one dedicated staff-person fielding these requests. The degree of need is likely much larger since not all residents have the means to contact the City.

I would like to note that although we support increasing the filing fee for evictions, the Mayor and Council are concerned that the additional fee might be passed onto the tenant. Increasing the filing fee may also have unintended consequences on small landlords who are less likely to evict tenants than corporate landlords. We ask that the Committee consider potential amendments that would address these concerns. Additionally, we request that you clarify the right of first refusal exceptions to specify that a transfer of a title from a property owner to a family member includes the sale of a property to a family member. Attached to our submitted testimony, is an addendum with additional comments.

In conclusion, all Marylanders deserve housing stability. Strong and fair tenant protections will support residents most in need of affordable housing. For these reasons, we urge the Committee to provide HB 693 with a favorable report. Thank you.

Testimony Addendum

HB 693 – Renters Rights and Stabilization Act of 2024

We ask the Committee to please consider the following to be a part of this bill:

- For tenants renting from single property landlords, that the tenant has Right of First Refusal when the landlord decides to put the property on the market, rather than when the landlord has a contract from another potential buyer.
- For prospective tenants, include in the bill a provision to provide more transparency on fees and rate increases so that prospective tenants can see the history and make an informed choice before signing a lease.

Thank You.

HB693_DHCD_SUPPORT.pdf

Uploaded by: Jacob Day

Position: FAV



WES MOORE
Governor
ARUNA MILLER
Lt. Governor
JACOB R. DAY
Secretary
JULIA GLANZ
Deputy Secretary

DATE: February 20, 2024
BILL NO.: House Bill 693
TITLE: Renters' Rights and Stabilization Act of 2024
COMMITTEE: House Environment & Transportation Committee

Letter of Support

Description of Bill:

House Bill 693 protects the rights of Maryland renters by increasing the filing surcharge in summary ejectment cases from \$8 to \$93 and prohibiting the surcharge from being passed on to tenants; extending the period of time between an eviction judgment and issuance of a warrant of restitution from 4 to 7 days; prohibiting evictions during defined severe weather conditions or states of emergency; limiting the maximum allowable security deposit to one month's rent; establishing an Office of Tenants' Rights within DHCD; requiring annual publication of a Tenant's Bill of Rights summarizing existing rights and protections; and creating a statewide right of first refusal for tenants of rental properties with 3 or fewer units. It also prioritizes rental voucher assistance for families with pregnant people and enhances the tracking and collection of data on eviction filings in District Court.

Background and Analysis:

In addition to rising rents and a shortage of affordable rental housing, Maryland renters face by far the highest eviction filing rate in the country, driven in large part by the lowest eviction filing fees in the country. Bringing eviction filing fees in line with the national average – and, importantly, preventing those fees from being passed on to tenants – will encourage landlords to treat filing for eviction as intended: as a tool to repossess the property, rather than as a rent collection method. The additional surcharge funds collected will be divided between two programs that are key to increasing housing stability in Maryland: the Maryland Legal Services Corporation and the state rental voucher program.

Giving tenants more time to make arrangements to pay past-due rent and prohibiting evictions during severe weather events or other emergencies will help prevent families from being removed from their homes in freezing cold, oppressive heat, or other dangerous conditions.

Currently, landlords may require a security deposit of up to two months' rent (along with the first month's rent) before entering into a lease with a prospective tenant. This means that a tenant can be required to come up with \$5,000 or more simply to move into a two-bedroom apartment in many parts of the state – an amount beyond the reach of many working families. Lowering the maximum security deposit will lower this significant barrier to finding stable housing.

Giving tenants the right of first refusal to purchase the rental properties they call home creates an additional path to homeownership and helps prevent displacement and encourage neighborhood stability.

Finally, establishing an Office of Tenants' Rights within DHCD and requiring the annual publication of a Tenants' Bill of Rights will both inform tenants of their rights and remedies under existing law, and create a means for tenants to report predatory or discriminatory actions and receive financial counseling.

DHCD Position:

The Department of Housing and Community Development respectfully requests a **favorable** report on House Bill 693.



MARYLAND DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
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HB0693_Jeffrey Rubin_FAV.pdf

Uploaded by: Jeffrey Rubin

Position: FAV

February 20, 2024

Jeffrey S. Rubin
Potomac, MD 20854



TESTIMONY ON HB0693 - POSITION: FAVORABLE
RENTERS' RIGHTS AND STABILIZATION ACT OF 2024

TO: Chair Korman, Vice Chair Boyce, and members of the Environment and Transportation Committee

FROM: Jeffrey S. Rubin

My name is Jeffrey Rubin. I am a resident of District 15 and a leader of Jews United for Justice, which organizes 6000 residents across many Maryland jurisdictions in support of social, racial, and economic justice campaigns. **I provide this testimony on behalf of Jews United for Justice in support of HB0693, Renters' Rights and Stabilization Act of 2024.**

Ancient Jewish texts are full of laws about keeping homes safe and secure for people who live in them. The prophet Micah understood that housing is more than a roof over one's head and that to deny people secure housing is not only harmful to them but also their families for generations to come.

Maryland has the highest eviction rate of any state in our nation, yet only ~5% of tenants facing a failure to pay rent eviction filing end up being evicted. As in other states, a portion of our population is heavily burdened by rent costs, sometimes having to pay 50% or more of their income on rent. Many of these people live paycheck to paycheck. This causes a problem for renters since paychecks or tips are spread out over the month, and not received in full at the beginning when rent is due. Nonetheless, some landlords will begin eviction proceedings if rent is not paid after the tenth of the month because our current laws reward them for it.

In contrast to landlords in other states, landlords in Maryland have a financial incentive to begin eviction proceedings prematurely. Landlords must pay a trivial \$15 eviction filing fee while tenants pay the court expenses and likely will also sacrifice wages if they take time off to attend the hearing. The net effect is that the landlord profits, while the tenant goes deeper in debt. In the end, 95% of the time tenants will not be evicted, but they will be traumatized and financially worse off. The court system is burdened, too: in fiscal year 2022, there were more than twice as many landlord-tenant filings as all other District Court civil case filings combined.

It is time to change this unjust, flawed system. HB0693 would do that by increasing the eviction filing fee to \$100, comparable to the average fee in other states. For this to work, landlords must be prohibited from passing the fee onto the tenants. Otherwise, there would be no financial incentive to end the rampant use of eviction filings for recovery of overdue rent. Instead, Maryland landlords who previously used this practice would work out an arrangement with their tenants, as landlords do in other states. Not only would this reduce the stress and

financial burden of eviction proceedings on tenants, but it would also dramatically reduce the burden on court dockets while bringing in additional revenue to fund important state programs.

The adoption of HB0693 would lessen the negative emotional and financial impact on rent-burdened tenants while encouraging landlords to recover overdue rent through less exploitative means. Additional provisions of the bill also are meritorious. **On behalf of Jews United For Justice, I respectfully urge this committee to return a favorable report on HB0693.**

JJRenters2024.pdf

Uploaded by: Jeniece Jones

Position: FAV



Jeniece Jones, Executive Director
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HB693 Renters' Rights and Stabilization Act of 2024

In the House - Hearing 2/20 at 1:00 p.m. (Environment and Transportation)

Position: FAVORABLE

Economic Growth and Inclusive Constituent Well-being Through Strategic Legal Services Funding

At the Public Justice Center (PJC), our mission is to promote economic justice and race equity through legal advocacy, policy reform, and community partnerships. We are committed to dismantling systemic barriers that perpetuate inequality and injustice in Maryland. Our work spans various areas, including housing rights, access to education, and employment anti-discrimination, focusing on uplifting the most vulnerable members of our community. Within this context of our mission, I express our strong endorsement of House Bill 693, the Renters' Rights and Stabilization Act of 2024.

As Executive Director at PJC, I endorse House Bill 693, the Renters' Rights and Stabilization Act of 2024, which signifies a crucial step toward fostering a more equitable Maryland. This legislation introduces essential reforms, such as increasing eviction proceeding surcharges to ensure fairness and other measures that protect tenants. These measures are vital for promoting economic growth and race equity.

A key aspect of this bill is its emphasis on providing well-trained legal services staff, including attorneys, which is crucial for addressing disparities in our housing and other interconnected systems. The return on investment (ROI) from investing in access to skilled legal professionals is profound, not only in economic terms by mitigating the harms of evictions and lessening the demand for emergency

^{^1} Stout Risius Ross, LLC. (February 2020). "The Economic Impact of Civil Legal Services in New York State." This report provides compelling evidence of the economic benefits and savings to communities from investments in legal aid services.

^{^2} Desmond, M. (2016). *Evicted: Poverty and Profit in the American City*. Crown Publishing Group. This work underscores the crucial role of housing stability in personal and community well-being, supporting the case for legal services funding.

housing but also in fostering a society where fairness and equity prevail. House Bill 693 represents a dedicated effort to uplift and secure the welfare of every Maryland resident, ensuring that our communities can thrive in unity.

Maximizing Economic Growth Through Well-Trained Legal Services Funding

Investing in legal services transcends mere expenditure, representing a high-return investment crucial for catalyzing economic growth and stability. The Stout Risius Ross report illuminates the significant return on investment from funding legal services, showing how every dollar allocated to preventing evictions and resolving legal disputes saves state and local governments substantial amounts by avoiding the costs associated with homelessness, unemployment, and healthcare crises.^{^1} This approach ensures a robust economic foundation, nurturing a just, thriving economic environment and prosperous communities.

Ensuring Constituent Well-being with Access to Legal Services

Beyond the economic benefits, the commitment to comprehensive access to legal services is fundamentally about enhancing the life quality of every Marylander. Access to justice, stable housing, and secure employment are essential for personal well-being and community health. Legal services attorneys are instrumental in this context, providing advocacy and protection that prevent legal challenges from becoming crises that can irreversibly impact lives. Echoing Matthew Desmond's insights in "Evicted," stable housing facilitated by legal representation is vital for individuals and families striving for a better life, highlighting the indispensable role of legal services in societal prosperity.^{^2}

This investment in legal services ensures a resilient support system for those facing legal challenges, thereby fostering a society that is equitable, just, and inclusive. It empowers our constituents to live with dignity, seize opportunities, and contribute to our state's economic and social fabric. By endorsing HB 693, Maryland reaffirms its dedication to economic prosperity, underscored by the core values of justice and equity.

Conclusion

Supporting House Bill 693 signifies a commitment to a holistic development strategy for Maryland, recognizing the interconnected nature of economic prosperity and the well-being of its people. The Maryland General Assembly's backing of this legislation will send a strong message about our collective priorities and values, emphasizing our dedication to creating an environment where every citizen can flourish.

^{^1} Stout Risius Ross, LLC. (February 2020). "The Economic Impact of Civil Legal Services in New York State." This report provides compelling evidence of the economic benefits and savings to communities from investments in legal aid services.

^{^2} Desmond, M. (2016). *Evicted: Poverty and Profit in the American City*. Crown Publishing Group. This work underscores the crucial role of housing stability in personal and community well-being, supporting the case for legal services funding.

I urge your robust support for HB 693, confident in its capacity to transform Maryland's economic landscape and enrich the lives of its residents. The Public Justice Center looks forward to witnessing the positive change this strategic investment in legal services will bring to our communities.

Thank you for considering this critical piece of legislation. Together, we can forge a more prosperous, equitable, and thriving Maryland for all.

¹ Stout Risius Ross, LLC. (February 2020). "The Economic Impact of Civil Legal Services in New York State." This report provides compelling evidence of the economic benefits and savings to communities from investments in legal aid services.

² Desmond, M. (2016). *Evicted: Poverty and Profit in the American City*. Crown Publishing Group. This work underscores the crucial role of housing stability in personal and community well-being, supporting the case for legal services funding.

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.

HB 693_MD Center on Economic Policy_FAV.pdf

Uploaded by: Kali Schumitz

Position: FAV

Marylanders Need Stronger Renter's Rights

Position Statement Supporting House Bill 693

Given before the House Environment and Transportation Committee

HB 693 seeks to assist Maryland's most vulnerable renters by addressing housing instability and predatory rental practices. **The Maryland Center on Economic Policy supports House Bill 693 because it will empower Maryland's most vulnerable renters.**

There is a significant need for each component of HB 693 that advances the housing security of Maryland renters including:

- **Reducing the maximum allowable security deposit to one month's rent.** Too often renters have to move on very short notice to escape from uninhabitable housing or to take advantage of a new job. There are numerous barriers to this move. Lowering the maximum allowable security deposit from two months' rent to one month's rent will help address the security deposit barrier to such a move and increase housing mobility for thousands of families.
- **Creating a new Office of Tenants' Rights and collecting better eviction data.** Maryland renters need additional education resources to help them learn about their rights and responsibilities. And the state can better evaluate and adjust its policies with better eviction data.
- **Standardizing when evictions are paused** for inclement weather or other emergencies.
- **Providing greater homeownership opportunities.** The right of first refusal, which has existed in Baltimore City for decades, would help increase access to homeownership. Technical and financial support will be needed for lower income households, but HB 693 lays the foundation.
- **Increasing the court filing surcharge to deter serial eviction filing.** Raising the eviction filing surcharge – *without passing it onto the tenant* – would further disincentivize serial filing. Maryland's uniquely high serial eviction filing rate means that prospective landlords will turn down the applications of families who may be desperate to move but have dozens of rent complaint filings on their rental history. However, **it is essential that the committee maintains the current language in the bill that stops the court and landlords from passing this increased surcharge onto tenants** for the following reasons:
 - Passing the fee onto tenants would more than double the total amount that tenants must pay to "pay and stay" and avoid eviction and homelessness. To "pay and stay" from a rent court judgment, the tenant must pay court costs. If the bill is amended to allow a pass through of the increased fee, this means doubling the total amount a resident must pay to remain in their home (from \$60 to \$145; or \$80 to \$165 in Balt. City). Some families will be unable to pay the fee –

especially very low income, subsidized tenants whose rent is often only \$50/month – and will be evicted because of the increased fee.

- Allowing a fee pass-through defeats a major purpose of the bill, which is to disincentivize serial eviction filing. If the landlord can recover the increased surcharge, it will have little effect on landlord eviction filing rates. This additional proposed surcharge should instead serve as an incentive for the landlord to attempt to work with the tenant, accept a payment plan, and connect the tenant to social services if needed, instead of skipping straight to an eviction filing each month.
- Tenants still have an incentive to pay the rent in a timely fashion because landlords can still assess a 5% late fee and court filing fee – just not this increased surcharge.
- If a landlord truly wants to evict a tenant who is chronically late, then after three judgments the landlord can foreclose on the right to redeem (i.e., no “pay and stay”). There is no need for the landlord to continue seeking judgments and passing on the increased surcharge.
- When fully funded, Access to Counsel in Evictions will assist annually tens of thousands of tenants who have a defense, but it does not solve Maryland’s significant affordability gap: There are 193,819 extremely low-income renters, paying more than 50% of their income in rent. These households are one paycheck or expense away from facing an eviction.

While some of the bill’s proposals are new, the eviction surcharge portion of the bill is not. Maryland has the lowest eviction filing in the nation, with a national average of \$109. It is the low-cost filing fee that is the driving force behind the state having the highest in the country eviction filing rates. HB 693 will increase the eviction filing fee to bring the state in line with the national average, raise revenue for essential housing stability programs, and reduce the impact of eviction filings on Maryland families. This is crucial as the state’s eviction filing rate is more than 6x the national average and more than 2x the next highest state.

HB 693 is being introduced at a very important time in Maryland as housing prices are soaring due to inflation. However, even before the pandemic and the resulting rise in inflation, Maryland had an affordable housing problem. According to the Maryland Housing Needs Assessment, nearly one-third of all Maryland households are experiencing housing cost burdens.ⁱ Of these, 67% are homeowners while 33% are renters. Among renters, 48% of those households are cost burdened, and among low-income households, 76% are severely cost-burdened.

Contributing to the inflated housing cost is the fact that Maryland is experiencing a housing shortage of 96,000 units and this number is expected to grow. The latest Out of Reach report from the National Low Income Housing Coalition lists Maryland as the ninth least affordable state for renters.ⁱⁱ To afford a modest two-bedroom apartment in the state, a family must earn \$28.93 an hour or \$60,183 annually. A minimum wage worker in Maryland would have to work 78 hours per week year-round. When families struggle to pay rent, they face greater risks of instability, eviction, and even homelessness, which research links to food insecurity, poor health, lower cognitive scores and academic achievement, and more frequent foster care placement among children. Seniors and the disabled, on fixed incomes, cannot live safely without affordable housing and supportive services.

Unaffordable and unstable housing perpetuates racial, economic and health disparities in our state. If we want to close disparities between white, black and brown Marylanders, we must begin with housing. We cannot write a prescription for housing but that is what many in our state need to stabilize their health. HB 693 is a step in the right direction because affordable housing and non-predatory housing practices is a foundation for all

Marylanders. For these reasons, **the Maryland Center on Economic Policy respectfully requests the House Environment and Transportation Committee to make a favorable report on House Bill 693.**

Equity Impact Analysis: House Bill 693

Bill Summary

HB 693 creates an Office of Tenant Rights in the Department of Housing and Community Development responsible for providing renters with information about their rights under law and creating a tenant's bill of rights; attempts to lower evictions by increasing the eviction filing fee and preventing it from being passed on to renters; mandating the reduction of security deposits from two months' rent to one month; gives renters the right to purchase their home if it's being sold; prioritizes families with children under 5 years old and pregnant women in the state's new rental voucher program. HB 693 seeks to assist Maryland's most vulnerable renters by addressing housing instability and predatory rental practices.

Background

Maryland is experiencing a shortage of 96,000 housing units and that figure will only grow without an intentional plan to address root causes. Over the last 10 years, Maryland has significantly underproduced housing which has added to this shortage at an average rate of 5,600 units per year. As a state and nation, we are still living with the lingering effects of the 2008 financial and housing crisis. Pandemic-era inflation and the associated rise in interest rates have only worsened this problem - making new housing construction even more expensive.

This supply shortage is having direct impacts on Marylanders' pocketbooks as the pathway to homeownership is becoming increasingly out of reach. Between October 2021 and October 2023, the household income needed to afford the median-priced Maryland home has doubled, jumping by a staggering 56%, from \$85,000 to \$132,000. And this impact is not specific to potential buyers as more than 52% of Maryland renters are cost-burdened, spending 30% or more of their wages on housing-related costs. A quarter of renters are spending 50% or more on housing-related costs. HB 693 is a step in the right direction to assist Marylanders with unaffordable housing costs and housing instability.

Equity Implications

When families struggle to pay rent, they face greater risks of instability, eviction, and even homelessness, which research links to food insecurity, poor health, lower cognitive scores and academic achievement, and more frequent foster care placement among children. Seniors and the disabled on fixed incomes cannot live safely without affordable housing and supportive services.

Unaffordable and unstable housing perpetuates racial and economic and health disparities in our state. If we want to close disparities between white and black and brown Marylanders, we must begin with housing. We cannot write a prescription for housing but that is what many in our state need to stabilize their health. We must also ensure that renters are not being subjected to unfair and predatory rental practices. Because Black and Brown people are more likely to be renters, they often feel the brunt of both the good and bad rental policies such as repeated eviction filings, increase security deposits and sub-standard housing living conditions.

Impact

HB 693 will likely **improve racial, health and economic equity** in Maryland.

-
- ⁱ Maryland 10 Year Housing Assessment <https://dhcd.maryland.gov/Documents/Other%20Publications/Report.pdf>
- ⁱⁱ National Low Income Housing Coalition <https://nlihc.org/oor/state/md>

HB 693 - Renters Rights and Stabilization Act - HO

Uploaded by: Katherine Davis

Position: FAV



HB 693 – Renters’ Rights and Stabilization Act of 2024
HEARING BEFORE THE ENVIRONMENT AND TRANSPORTATION COMMITTEE
FEBURARY 20, 2024 at 1:00 PM
POSITION: SUPPORT

The Pro Bono Resource Center of Maryland (“PBRC”), an independent 501(c)(3) non-profit organization, is the statewide thought leader and clearinghouse for pro bono civil legal services in Maryland. As the designated pro bono arm of the MSBA, PBRC provides training, mentorship, and pro bono service opportunities to members of the private bar and offers direct legal services to over 6,200 clients annually.

In May 2017, with a grant from the Maryland Judiciary’s Access to Justice Department, PBRC launched the Tenant Volunteer Lawyer of the Day (“TVLD”) Program in Baltimore City Rent Court to provide day-of-court legal representation to tenants who appear unrepresented for their proceedings. Since then, thanks in large part to grants from the Maryland Legal Services Corporation (MLSC), PBRC’s Courtroom Advocacy Project staff and volunteer attorneys have represented thousands of tenants in both Baltimore City and Baltimore County in multiple types of legal actions that could result in eviction. PBRC’s Home Preservation Project has also assisted nearly 800 homeowners at risk of losing their homes to tax sale. **An overarching goal of both Projects is to promote and preserve stable housing and communities for low-income families and individuals in Maryland. PBRC supports HB 693 because it represents a vital step toward the achievement of this goal.** In addition to offering a mechanism for maintaining funding through MLSC for Access to Counsel in Evictions and other vital legal services programs, this Bill provides much-needed education and safeguards for tenants, helps to level the playing field and serves as a course correction for the unequal relationship that is in play between landlords and tenants, especially during a housing crisis such as that being experienced in Maryland today.

As part of Access to Counsel in Evictions, PBRC works regularly with tenants both in and out of court to ensure that they know their rights and understand the need to come to court and the benefit of exercising their right to access counsel for eviction-related matters. Establishing an Office of Tenants’ Rights within the Department of Community Development represents an excellent way to augment this work and help ensure stable housing for tenants throughout the state.

Raising the surcharge for eviction filings is a long-overdue course correction and a commonsense policy that is necessary to bring Maryland in step with surrounding states, all of whom have significantly higher filing fees for eviction-related actions and significantly lower filing rates. The current \$8 surcharge for filing a summary ejectment action in Maryland renders this type of action one of the cheapest and easiest civil cases to file, yet the potential consequences for those against whom these actions are filed are enormous.

PBRC attorneys have seen tenants at risk of eviction for judgments for as low as \$100.00 and have worked with clients who have been summoned to court monthly based upon one missed payment, creating a cycle of late fees and court costs from which they cannot escape. Last summer a PBRC staff attorney represented a client whose landlord filed three Failure to Pay Rent actions against her despite an on-going rent escrow action, which the tenant eventually won. These actions were filed while the tenant was dutifully paying her rent into a court account, yet she had to come to court each month to ensure that they were dismissed. Another staff attorney worked with a young disabled client who arrived at court with receipts demonstrating on-time payments. Her case was dismissed, but she had to spend all day at court because the city mobility transportation she had arranged had a scheduled pick-up time of 4:00 PM.

Another PBRC client, a construction worker who had lived in his home for over six years, was summoned to court for months in a row by an unlicensed landlord. He was able to get each case dismissed and continued paying his rent, but nonetheless accumulated court fees and suffered financially from having to take time off work. Yet another elderly client came to court with a summons for four months' rent and explained that she had been paying through her portal any time a bill popped up but could not seem to get caught up. She had also previously been summoned to court for each month individually but had succeeded in getting each case dismissed. A review of her ledger, however, revealed that her landlord had assessed court costs and late fees each month, even after dismissing each case.

All of these cases, and countless more, are symptoms of a statutory scheme that encourages multiple and sometimes sloppy filings, to the great detriment of primarily low-income families and individuals whose very housing is at stake. Raising the surcharge will not fix the issue but will bring Maryland more in line with surrounding states and help to alleviate the burden on the Maryland court system caused by unnecessary filings. Landlords will be more likely to ensure the validity of a case prior to filing. Where rent is owed, landlords will be more likely to work with tenants to arrange for payment before turning to the courts as a cheap collection method.¹

Furthermore, the increased surcharge in summary ejectment, tenant holding over, and breach of lease cases will funnel much-needed funds to MLSC to help fund work like PBRC's Courtroom Advocacy and Home Preservation Projects, which assist low-income Marylanders with state tax sale issues, advance planning, foreclosure and eviction prevention. We also work in the immigration realm, representing unaccompanied immigrant children who have been separated from their families. These projects incorporate extensive volunteer service components through community, courthouse and remote clinics that offer essential legal help to thousands of clients in need. PBRC also recruits, trains, and engages hundreds of pro bono attorneys in the myriad of civil legal areas that impact low-income individuals and matches them with other partner agencies. **MLSC funding comprised 59% of PBRC's budget in fiscal year 2023. Thus, much of this work would not be possible without continued funding through MLSC.**

While PBRC supports HB 693, PBRC would caution this Body against any amendments that could allow the increased surcharge to be passed through to the tenants. If that is allowed, there would no longer be a disincentive for landlords to file serial eviction actions and the benefits related to judicial economy would be lost. Rather, the extra charge would be borne by those least able to handle it. Low-income tenants would fall farther behind and would have a tougher time exercising their right to redeem their tenancy post-judgement. **PBRC would oppose any amendments that would allow this surcharge to be passed onto the tenants.**

PBRC urges a FAVORABLE report on HB 693.

Please contact Katie Davis, Director of PBRC's Courtroom Advocacy Project, with any questions.
kdavis@probonomd.org • 443-703-3049

¹ A comprehensive nation-wide study of the correlation between filing fees and eviction filings found that "eviction filing fees...have a large effect on eviction practices... Filing fees affect not only the rate but also the purpose of filing, as lower fees make landlords more likely to file serially against the same tenants as a form of rent collection." The Racially Disparate Influence of Filing Fees on Eviction Rates, by Henry Gomory, Douglas S. Massey, James R. Hendrickson, and Matthew Desmond (*Housing Policy Debate*, May 26, 2023).

CLS HB 693 Renter's Stabilization Bill- Favorable.

Uploaded by: Kayla Williams

Position: FAV



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February 16, 2024

The Honorable Marc Korman
Chair, Environment and Transportation Committee
House Office Building
Annapolis, Maryland 21401

House Bill 693
Renter's Rights and Stabilization Act of 2024
Position: FAVORABLE

Dear Chair Korman, Vice Chair Boyce, and Committee Members:

Thank you for the opportunity to submit testimony in support of House Bill 693, a bill that includes several key provisions that would advance housing security to Maryland renters.

Community Legal Services (CLS), is a non-profit organization established to provide civil legal services to low-income residents of Prince George's and surrounding Counties. In 2018, CLS piloted an Eviction Prevention Program in Prince George's County which provides free, same-day and extended representation to low-income tenants facing eviction. Due to the success of this program, and the demonstrated need, our office created a similar program in 2020 which provides legal representation to low-income tenants in Anne Arundel County.

Since 2018, CLS has provided legal advice and representation in more than 12,000 landlord/tenant cases, and our services have benefitted more than 26,000 individuals. Through our representation, we prevented numerous evictions, argued against illegal fees, defective complaints and notices, negotiated settlements and repayment agreements, connected tenants with rental assistance and other social services resources, advocated on behalf of tenants who dealt with significant housing defects, prevented termination of housing subsidies, filed motions on behalf of tenants seeking additional time to avoid eviction, and hosted community outreach and Know-Your-Rights events to educate and empower the community.

Prior to the pandemic, eviction filings were a significant problem in Maryland due to the high cost of living and the extremely low cost of filing eviction cases. The eviction crisis was only exacerbated by the pandemic, which disproportionately impacted minority and poverty-stricken communities. As a result, we have seen a tremendous increase in the number of tenants facing eviction.

Luckily, in 2021, Maryland's General Assembly passed Access to Counsel in Evictions (ACE) legislation, which was subsequently funded in 2023. This legislation has allowed organizations like ours to hire more staff which in turn, allowed us to assist more tenants with their eviction cases. In light of the financial devastation caused by the pandemic and the unaffordability of housing, our objective has always been to even the playing field, and to give tenants the same opportunities that are given to landlords. Statistics show that there is a significant difference in outcome between tenants who are and who aren't represented at their rent court hearings, as tenants who are represented are more likely to raise defenses and are more likely to be aware of eviction protections. Tenants with representation are also more likely to remain housed, obtain resources beyond their court hearings such as rental assistance, and negotiate for more time allowing them to make payments and seek additional services to avoid eviction. An example of this involved a case in which our office represented a tenant who was a paraplegic who suffered from significant and ongoing health complications. The tenant had also incurred high energy and utility expenses that resulted in her falling behind on her rent. When this tenant reached out to our office, our Community Engagement Coordinator helped her apply for rental assistance, which was approved, and her rent was made current. Our Community Engagement Coordinator also submitted an application for energy assistance on behalf of the client to prevent her utilities from being shut off. As a result, the tenant was enrolled in an ongoing energy assistance program which provided her with a \$75 monthly credit for future energy costs. Approximately two months later, this same tenant reached back out to our office because she received a Breach of Lease court summons in which she disputed all allegations. Our Senior Staff Attorney entered her appearance and after extensive trial prep and negotiations, the case resulted in a dismissal. In addition to funding through Access to Counsel in Evictions (ACE), Maryland Legal Services Corporation has also provided us with funding that allows us to assist tenants with their overlapping legal needs in cases involving foreclosure, bankruptcy, family law, expungements, and domestic violence cases.

However, what remains problematic is the number of tenants who continue to be summoned to court in eviction cases. It is no secret that Maryland has some of the highest eviction filings in the country, while simultaneously having some of the lowest eviction filing fees when compared to other states. The average filing fee nationwide is \$120, while the filing fee in Maryland is just about \$15. This has led to numerous "serial filings" which often involve tenants being summoned to court repeatedly month after month, with landlords often filing for individual months instead of the entire amount that may be owed. This not only results in administrative burdens on the court, but it causes tenants to lose numerous days of work which equates to less pay causing them to get further and further behind.

Our office supports an increase in eviction filing fees, as long as landlords are required to bear the cost of the increase, and these fees are not passed to the tenants. Through our daily representation of tenants, we see how serial filings cause tenants to live in a perpetual state of housing instability. Our goal as tenant advocates is simply to even the playing field, and to reduce homelessness whenever possible. Although Access to Counsel will not solve the housing unaffordability crisis alone, it provides tenants with a meaningful opportunity to have access to legal representation, which often results in tenants being connected with resources so that their landlords can be paid, as well as creating a more efficient and fair process overall.

For the reasons stated above,
CLS urges a FAVORABLE report on House Bill 693.

If you have any questions, please contact Kayla Williams-Campbell, Deputy Director, at Williams@clspgc.org, 240-391-6532.

HB 693_Consumer Protection Division_Support_2024_F

Uploaded by: Kira Wilpone-Welborn

Position: FAV

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February 16, 2024

To: The Honorable Marc Korman
Chair, Environment and Transportation Committee

From: Kira Wilpone-Welborn, Assistant Attorney General
Consumer Protection Division

Re: House Bill 693 – Tenants' Rights and Stabilization Act of 2024 (SUPPORT)

The Consumer Protection Division of the Office of the Attorney General (the "Division") supports Governor Moore's House Bill 693 that seeks to promote additional protections, funding, and opportunities for tenants, and to put systems in place to help decrease tenant displacement and preserve single-family residential units that are affordable to low- and moderate-income households. In particular, House Bill 693 seeks to expand tenants' rights and protections, and increase funding, by: (1) increasing the eviction filing fee in Maryland and distributing the additional funds to Maryland's Access to Counsel Program and Statewide Rental Assistance Voucher Program; (2) decreasing the maximum security deposit a landlord is permitted to collect to one month's rent; and (3) creating an Office of Tenants' Rights housed in the Department of Housing and Community Development. Additionally, House Bill 693 seeks to decrease tenant displacement and preserve affordable housing for low- and moderate-income households by mandating a tenant's right of first refusal. Landlord-Tenant complaints are the single largest number of complaints the Division's Mediation Unit receives each year. The proposed components of House Bill 693 would address many of the complaints the Division receives.

Filing Fee Increase:

First, House Bill 693 represents a renewed attempt to bring Maryland's eviction filing fee in line with other states and to provide needed funding for the Maryland Legal Services Corporation and the newly created Statewide Rental Assistance Program. House Bill 693 would increase the surcharge assessed in failure to pay rent, breach of lease, and tenant holding over

actions from \$8 to \$93. The bill would also prevent landlords or the courts from requiring tenants to cover the cost of the surcharge, which would protect tenants who are already struggling to make ends meet from having to shoulder additional financial burdens. Housing instability has persisted in Maryland since well before the pandemic¹ and continues to foist the associated negative effects onto communities of color.²

Importantly, House Bill 693 would distribute the proceeds of any filing fee increase to two housing programs recently adopted by the Legislature: (1) the Access to Counsel in Evictions Program, and (2) the Statewide Rental Assistance Voucher Program. Maryland was the second state in the Nation to adopt a program to provide legal representation to qualified tenants in eviction court.³ Likewise, the Legislature in 2023 adopted a Statewide Rental Assistance Voucher Program to provide access to affordable housing to families languishing on federal subsidized housing waitlists. While the Legislature has provided initial funding for each program, the Access to Counsel Task Force has recognized that “[w]ithout question, the success and effectiveness of the Program hinges on a continuous and stable source of funding.”⁴ The funding structure proposed by House Bill 693 would provide both programs with stable funding that is necessary for their continued success in serving the most vulnerable of Maryland’s tenants.

Security Deposit Decrease to One Month’s Rent:

Presently, a landlord may not require a tenant to pay a security deposit that exceeds the equivalent of two months’ rent per dwelling unit, regardless of the number of tenants. Md. Code Ann., Real Prop. §8-203(b). House Bill 693 would reduce a tenant’s security deposit liability to one month’s rent and bring Maryland in line with at least thirteen other states,⁵ including Maryland’s neighbors -- Washinton D.C. and Delaware. Reducing the maximum amount a landlord could charge as a security deposit would ease the financial burden Maryland tenants face when trying to enter new rental housing.

¹ See Joint Center for Housing Studies of Harvard University, “America’s Rental Housing 2024,” at 18-19 (2024) available at

https://www.jchs.harvard.edu/sites/default/files/reports/files/Harvard_JCHS_Americas_Rental_Housing_2024.pdf (“In total, [since 2012], the market lost 6.1 million units renting for less than \$1,000, the maximum amount affordable to a household earning \$40,000 per year.”).

² It is well documented that the majority of tenants evicted are Black mothers with minor children. See Public Justice Center, “Justice Diverted: How Tenants are Processed in the Baltimore City Rent Courts,” (December 2015); and Matthew Desmond *et al.*, “Forced Relocation and Residential Instability among Urban Tenants,” 89 Soc. Serv. Rev. 227 (2015).

³ House Bill 18, available at

<https://mgaleg.maryland.gov/mgaweb/Legislation/Details/HB0018?ys=2021rs>.

⁴ Access to Counsel Task Force, “Report of the Access to Counsel Taskforce” at 45 (January 2024), available at https://www.marylandattorneygeneral.gov/A2C_Docs/2024_ACE_TF_Report.pdf.

⁵ Alabama, Ala. Code § 35-9A-201(a); California, Cal. Civ. Code § 1950.5(c); Delaware, 25 Del. C. § 5514(a)(2), (a)(3); Washington D.C., D.C. Mun. Regs. tit. 14, § 308.2; Hawaii, HRS § 521-44(b); Kansas, K.S.A. 58-2550(a); Massachusetts, M.G.L. c. 186, § 15B(1)(b)(iii); Nebraska, Neb. Rev. St. § 76-1416(1); New Hampshire, N.H. RSA §§ 540-A:6(I)(a); New York, N.Y. Gen. Oblig. Law § 7-108(1-a)(a); North Dakota, N.D.C.C. § 47-16-07.1(1); Rhode Island, R.I. Gen. Laws § 34-18-19(a); and South Dakota SDCL 43-32-6.1.

Office of Tenants' Rights:

House Bill 693 also seeks to create an Office of Tenants' Rights within the Department of Housing and Community Development. The Office of Tenants' Rights would serve as an education resource for tenants through the creation of an annual Tenants' Bill of Rights and other resources. Landlord-tenant complaints are the largest subsection of complaints the Division receives each year. The creation of additional resources for tenants to understand their rights when faced with disputes with their landlords will assist the Division in mediating and investigating the complaints it receives.

Tenant Rights of First Refusal:

Finally, House Bill 693 seeks to create a right of first refusal for tenants residing in residential property when the owner has received a bona fide proposed contract of sale from a third party. Providing tenants with the opportunity to purchase the residential unit they are already residing in decreases displacement and preserves housing affordability and stability within communities.⁶ In fact, the Coalition for Nonprofit Housing and Economic Development found that Washington D.C.'s tenant right of first refusal law, since 2006, has preserved 16,224 affordable housing units, reduced displacement, and improved housing conditions.⁷ The Division has consistently supported legislative efforts that increase housing affordability and community continuity. House Bill 693's tenant right of first refusal would provide Maryland's low- to moderate-income tenants additional avenues to affordable homeownership while reducing tenant and community disruptions.

For the reasons stated above, the Consumer Protection Division supports House Bill 693 and requests the Environment and Transportation Committee provide a favorable report.

cc: Members, Environment and Transportation Committee

⁶ See Coalition for Nonprofit Housing and Economic Development, "Sustaining Affordability" at 5 (November 15, 2023) available at <https://cnhed.org/news/cnhed-releases-comprehensive-analysis-of-dcs-tenant-opportunity-to-purchase-act-topa/> ("[D.C.'s tenant right of first refusal] law addresses the complexities of gentrification, escalating housing costs, and displacement, particularly when affecting marginalized communities. By affording tenants the chance to purchase their rental properties during sales, [the right of first refusal] aims to ensure housing security, tenant empowerment, and affordability.").

⁷ *Id.* at 6.

HB693_JCRC_FAV .pdf

Uploaded by: Laura Salganik

Position: FAV



Committee: Environment and Transportation and Judiciary

Testimony on: HB693 – Renters’ Rights and Stabilization Act of 2024

Organization: The Jewish Community Relations Council, Howard County, MD

Submitting: Betsy Singer and Laura Salganik, Co-chairs

Position: Favorable

Hearing Date: February 20, 2024

Dear Chair and Committee Members:

The Jewish Community Relations Council of Howard County (JCRC) is submitting this testimony in support of HB538, the Renters’ Rights and Stabilization Act of 2024.

Jewish texts are full of material that balances the rights of renters and landlords and supports the rights of people to stay in their homes .

Maryland’s current eviction filing fee clearly puts renters at a large and unfair disadvantage. With the lowest eviction filing fee in the country – \$15 compared to a national average of over \$100 – filing for eviction is an inexpensive first step for landlords when rent is more than ten days late. But the ramifications for renters are anything but inexpensive. Even though the vast majority of renters who receive an eviction notice pay their rent before being evicted, they have to take time off work for court, pay court costs, and have an eviction filing on their record, which reduces their ability to find housing in the future.

According to The Eviction Lab, the eviction filing rate in Maryland was 70 percent: the number of eviction filings was 70 percent of the number of renter households. Many households received repeated filings. The national average was below 10 percent.

Raising the eviction filing fee to \$100, as proposed in this bill, puts Maryland in the same group as most other states, where eviction is a last resort not an initial course of action. In addition, other provisions in the law such as preventing landlords from passing on filing surcharges are a needed part of increasing the justice behind the eviction process.

Raising the fee also provides funding for important programs, including legal services for those facing eviction and increased funding for rental vouchers. We also support the bill’s provision to reduce the limit on security deposits from two to one month’s rent. Requiring three months’ rent (two for security deposit and one month rent) is an unreasonable burden to place on low-income residents.

We respectfully urge you to pass the Renters’ Rights and Housing Stabilization Act of 2024.

HB0693 ACDS Support - Renters' Rights and Housing

Uploaded by: Lisa Sarro

Position: FAV



HB0693 – Renters’ Rights and Stabilization Act of 2024

Hearing before the Environment & Transportation and Judiciary Committees on
February 20, 2024

Position: SUPPORT (FAV)

SUPPORT: House Bill 0693 is an ambitious, comprehensive bill which, if enacted, will provide critical support for the housing stability of Maryland renters.

ACDS serves as Anne Arundel County’s nonprofit housing and community development agency, helping Anne Arundel County residents and communities thrive through the provision of safe and affordable housing opportunities, programs to prevent and end homelessness, and community development initiatives. As part of fulfilling this role, ACDS works with affordable housing developers, tenants, landlords, local nonprofits, benevolence organizations and homeless services providers, all with a goal of preventing evictions, supporting safe, stable housing, and ameliorating the effects of evictions for those households whose evictions cannot be prevented. ACDS also implements programs that provide financial counseling and financial assistance for County residents who are striving to purchase a home.

Housing – safe, stable housing - is everything. Housing stability is a key determinant of health, education, and economic outcomes. The Renters’ Rights and Housing Stability Act shows a clear recognition of the importance of housing stability and an understanding that supporting housing stability requires tackling the issue from many different directions. ACDS is supportive of each of the components of the Act. The increased filing fee to support legal services for eviction prevention and an expanded housing voucher program, creating a right of first refusal for renters, prohibiting evictions during extreme weather and other emergencies and the formation of an Office of Tenants’ Rights will all provide substantial and necessary support for Maryland renters.

One very important element of the bill requires emphasis: In three different places, the bill prohibits landlords from passing the filing fee surcharge on to the renter. ACDS urges this Committee to leave those provisions intact. Landlords are permitted to charge late fees, and that is unchanged by this bill. **Passing the filing fee surcharge on to renters would increase the financial burden on households that are already struggling to make ends meet and makes avoiding eviction by paying the amount due even harder. With respect, please do not allow the filing fee surcharge to be passed on to renters.**

For the reasons noted above, ACDS urges the Committee to issue a FAVORABLE report on HB0181.

Housing - testimony - house - 2024 - HB693 FAV.pdf

Uploaded by: Lisae C Jordan

Position: FAV



Working to end sexual violence in Maryland

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For more information contact:
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Testimony Supporting House Bill 693
Lisae C. Jordan, Executive Director & Counsel
February 20, 2024

The Maryland Coalition Against Sexual Assault (MCASA) is a non-profit membership organization that includes the State's seventeen rape crisis centers, law enforcement, mental health and health care providers, attorneys, educators, survivors of sexual violence and other concerned individuals. MCASA includes the Sexual Assault Legal Institute (SALI), a statewide legal services provider for survivors of sexual assault. MCASA represents the unified voice and combined energy of all of its members working to eliminate sexual violence. We urge the Environment & Transportation and Judiciary Committees to report favorably on House Bill 693.

House Bill 693 – Renters Rights and Stabilization Act – Help for Sexual Assault Survivors
This bill provides a range of support for housing.

There is increasing recognition of the importance of housing for survivors of sexual violence. The National Sexual Violence Resource Center explains: For some survivors, home may not be a safe place and they may need to leave due to sexual violence happening in their home being perpetrated by household members, landlords, or neighbors. For others, they may need to find safe alternative housing to heal from and lessen the effects of trauma they have experienced, especially if the sexual assault occurred in their home, or if the person who perpetrated the sexual assault knows where they live. Additionally, many people experiencing homelessness have experienced sexual assault prior to becoming homeless (Slesnick et al., 2018). Experiencing homelessness is also a risk factor for experiencing sexual assault (Breiding et al., 2017; Meinbresse et al., 2014). ... [S]afe, affordable, and stable housing can be a protective factor against experiencing sexual victimization (Hoedemaker, 2010).

HB693 increases *the surcharge* in summary ejection, tenant hold over, and certain breach of lease matters from \$8 to \$93 per case. The current total amount for filing an eviction is just \$15, the lowest in the nation, and far lower than the national average of \$109. Increasing the total filing fee amount to \$100 would deter landlords from using our overburdened court system as a collection agency and ultimately decrease the number of frivolous eviction filings in our state. HB693 would distribute funds raised from this increased surcharge equally between a statewide Rental Assistance Voucher Program and the legislatively created Maryland Legal Services Corporation Fund.

MCASA's Sexual Assault Legal Institute (SALI) is part of the community of Maryland Legal Services grantees. SALI helps support survivors and their housing needs through protective orders, use and possession of residences, and actions to terminate leases when it is unsafe to stay in a home or apartment. Legal services are an important part of efforts to keep survivors safe and we appreciate HB693 and its support for the Maryland Legal Services Corporation.

**The Maryland Coalition Against Sexual Assault urges the
Environment & Transportation and Judiciary Committees to report favorably on House Bill 693**

HB 693 Renters Stabilization PJC FAV.pdf

Uploaded by: Matt Hill

Position: FAV



C. Matthew Hill
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HB 693 - Renters' Rights and Stabilization Act of 2024
Hearing before the House Environment and Transportation Committee, Feb. 20, 2024
Position: SUPPORT (FAV)

Public Justice Center is part of Renters United Maryland and urges you to move favorable on HB 693. 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. The PJC represents or advises over 800 renters and their families each year. There is a significant need for each component of HB 693 that advances the housing security of PJC's tenant-clients including:

- **Reducing the maximum allowable security deposit to one month's rent.** Too often our clients have to move on very short notice to escape from uninhabitable housing or to take advantage of a new job. There are numerous barriers to this move. Lowering the maximum allowable security deposit from two months' rent to one month's rent will help address the security deposit barrier to such a move and increase housing mobility for thousands of families.
- **Creating a new Office of Tenants' Rights and collecting better eviction data.** Additional education resources are needed in Maryland. Most renters who we assist would benefit from learning sooner about their rights and responsibilities. And the state can adjust its policies with better eviction data.
- **Standardizing when evictions are paused** for inclement weather or other emergencies.
- **Providing greater homeownership opportunities.** The right of first refusal, which has existed in Baltimore City for decades, would help increase access to homeownership. Technical and financial support will be needed for lower income households, but HB 693 lays the foundation.
- **Increasing the court filing surcharge to deter serial eviction filing.** Raising the eviction filing surcharge – *without passing it onto the tenant* – would further disincentivize serial filing. Maryland's uniquely high serial eviction filing rate means that prospective landlords will turn down the applications of families who may be desperate to move but have dozens of rent complaint filings on their rental history.

Do not make tenants pay more for their own eviction! It is essential that the Committee maintains the current language in the bill that stops the court and landlords from passing this increased surcharge onto tenants for the following reasons:

1. **Passing the fee onto tenants would more than double the total amount that tenants must pay to "pay and stay" and avoid eviction and homelessness.** To "pay and stay" from a rent court judgment, the tenant must pay court costs. If the bill is amended to allow a pass through of the increased fee,

this means doubling the total amount a resident must pay to redeem (from \$60 to \$145; or \$80 to \$165 in Balt. City). ***Some families will be unable to pay the fee – especially very low income, subsidized tenants whose rent is often only \$50/month – and will be evicted because of the increased fee.***

2. **“Judicial discretion” for passing on the fee is what happens now. Tenants normally lose because most cases end in default judgments for the landlord plus costs.** Over 90% of rent cases that are not dismissed end in a “default judgment” against the tenant. The Court checks a box on the form: “Judgment in favor of Landlord for possession of the premises and costs.” This is the current exercise of “discretion,” and the tenant almost always loses. When the case is dismissed, the landlord *still* assesses the costs against the tenant via their lease provisions – even if the case is dismissed. The landlord then allocates the next payment first to the additional fee, leaving the tenant behind on the rent for the next month – spiraling into greater debt. Even if eviction filings are reduced by 25% from this policy, that leaves appx. 300,000 eviction filings/year, the vast majority of which will include a \$85 increased fee that vulnerable households will have to pay to avoid eviction.
3. **Allowing a fee pass-through defeats a major purpose of the bill, which is to disincentivize serial eviction filing.** If the landlord can recover the increased surcharge, it will have little effect on landlord eviction filing rates.
4. **Tenants still have an incentive to pay the rent in a timely fashion because landlords can still assess a 5% late fee and court filing fee – just not this increased surcharge.**
5. **If a landlord truly wants to evict a tenant who is chronically late, then after three judgments the landlord can foreclose on the right to redeem (i.e., no “pay and stay”).** There is no need for the landlord to continue seeking judgments and passing on the increased surcharge.
6. **When fully funded, Access to Counsel in Evictions will assist annually tens of thousands of tenants who have a defense, but it does not solve Maryland’s significant affordability gap:** There are 193,819 extremely low-income (\$31,600/year for family of four) renter households in Maryland. 74% of those households are severely cost-burdened, i.e., paying more than 50% of their income in rent. These households are one paycheck or expense away from facing an eviction.
7. **Landlords can collect “future rent” right now – but they still file in rent court each month.** Landlords claim they must file a rent complaint each month because courts refuse to award “future rent,” i.e., rent that comes due between filing and trial, but that is not true. Lawyers from 12 jurisdictions around the state have verified that courts routinely award future rent.

Even an amendment that would allow landlords to pass through the fee to tenants only after the 3rd failure-to-pay-rent filing in a year would still fall disproportionately on the renters who are least able to pay the increased fee because they are often on the brink of eviction. In the experience of our organization, landlords file against the same tenant repeatedly within the year because the purpose of the

eviction filing is not eviction *per se* but rather debt collection.¹ For example, if there is a dispute between the landlord and tenant over \$500 in rent or other fees, the tenant may pay the \$1,000 monthly rent timely, but the landlord may still file an eviction complaint for multiple successive months because there remains a \$500 back balance to which the landlord allocates first the tenant's payment each month, charging a late fee in each of those months as well. Even with a prohibition on pass-through of this surcharge, tenants still have ample incentive to pay the rent timely to avoid late fees and the current court costs that landlord pass through pursuant to statute. This additional proposed surcharge should instead serve as an incentive for the landlord to attempt to work with the tenant, accept a payment plan, and connect the tenant to social services if needed, instead of skipping straight to an eviction filing each month.

Public Justice Center is a member of Renters United Maryland, a statewide coalition of renters, organizers, and advocates, and **we urge the Committee's report of Favorable on HB 693.**

¹“The execution of an eviction is a double-edged sword for landlords, who must balance the costs of unit turnover with those of allowing a tenant to remain in rent arrears. But this is not the case for filing. *Filing* costs a modest fee, and initiates a legal process that leverages the power of the state both symbolically and physically to encourage the tenant to pay her late rent. Moreover, the process of repeated (“serial”) filing for eviction and charging late fees, even on tenants who are expected to eventually pay their rent, is used by some landlords as an additional revenue source.” Drs. Philip ME Garboden and Eva Rosen, *Serial Filing: How Landlords Use the Threat of Eviction*, City and Community: A Journal of the Community and Urban Sociology Section of the American Sociological Association, Vol. 18, No. 2, June 2019, at 11-12 (emphasis original) (internal citations omitted).

HB 693 Renters Stabilization Matt Losak Testimony.

Uploaded by: Matthew Losak

Position: FAV



HB 693 - Renters' Rights and Stabilization Act of 2024
Hearing before the House Environment and Transportation Committee, Feb. 20, 2024
Position: SUPPORT (FAV)

The Renters Alliance is the first and only regional nonprofit dedicated exclusively to renter outreach, education, organizing and advocacy. We are the leading co-founder of Renters United Maryland.

There is a significant need for each component of HB 693 that advances the housing security of Maryland renters including:

- **Reducing the maximum allowable security deposit to one month's rent.** Too often renters have to move on very short notice to escape from uninhabitable housing or to take advantage of a new job. There are numerous barriers to this move. Lowering the maximum allowable security deposit from two months' rent to one month's rent will help address the security deposit barrier to such a move and increase housing mobility for thousands of families.
- **Creating a new Office of Tenants' Rights and collecting better eviction data.** Additional education resources are needed in Maryland. Most renters who we assist would benefit from learning sooner about their rights and responsibilities. And the state can adjust its policies with better eviction data.
- **Standardizing when evictions are paused** for inclement weather or other emergencies.
- **Providing greater homeownership opportunities.** The right of first refusal, which has existed in Baltimore City for decades, would help increase access to homeownership. Technical and financial support will be needed for lower income households, but HB 693 lays the foundation.
- **Increasing the court filing surcharge to deter serial eviction filing.** Raising the eviction filing surcharge – *without passing it onto the tenant* – would further disincentivize serial filing. Maryland's uniquely high serial eviction filing rate means that prospective landlords will turn down the applications of families who may be desperate to move but have dozens of rent complaint filings on their rental history. When Attorney General Brian Frosh originally proposed similar legislation to raise the filing fee to reduce serial filing, he agreed with us that any pass through of costs to the tenants would constitute an unacceptable burden on already struggling tenants while eliminating the bill's purpose. We cannot support this legislation if any amendment eliminates this requirement.

Do not make tenants pay more for their own eviction! It is essential that the Committee maintains the

current language in the bill that stops the court and landlords from passing this increased surcharge onto tenants for the following reasons:

1. **Passing the fee onto tenants would more than double the total amount that tenants must pay to “pay and stay” and avoid eviction and homelessness.** To “pay and stay” from a rent court judgment, the tenant must pay court costs. If the bill is amended to allow a pass through of the increased fee, this means doubling the total amount a resident must pay to redeem (from \$60 to \$145; or \$80 to \$165 in Balt. City). *Some families will be unable to pay the fee – especially very low income, subsidized tenants whose rent is often only \$50/month – and will be evicted because of the increased fee.*
2. **“Judicial discretion” for passing on the fee is what happens now. Tenants normally lose because most cases end in default judgments for the landlord plus costs.** Over 90% of rent cases that are not dismissed end in a “default judgment” against the tenant. The Court checks a box on the form: “Judgment in favor of Landlord for possession of the premises and costs.” This is the current exercise of “discretion,” and the tenant almost always loses. When the case is dismissed, the landlord *still* assesses the costs against the tenant via their lease provisions – even if the case is dismissed. The landlord then allocates the next payment first to the additional fee, leaving the tenant behind on the rent for the next month – spiraling into greater debt. Even if eviction filings are reduced by 25% from this policy, that leaves appx. 300,000 eviction filings/year, the vast majority of which will include a \$85 increased fee that vulnerable households will have to pay to avoid eviction.
3. **Allowing a fee pass-through defeats a major purpose of the bill, which is to disincentivize serial eviction filing.** If the landlord can recover the increased surcharge, it will have little effect on landlord eviction filing rates.
4. **Tenants still have an incentive to pay the rent in a timely fashion because landlords can still assess a 5% late fee and court filing fee – just not this increased surcharge.**
5. **If a landlord truly wants to evict a tenant who is chronically late, then after three judgments the landlord can foreclose on the right to redeem (i.e., no “pay and stay”).** There is no need for the landlord to continue seeking judgments and passing on the increased surcharge.
6. **When fully funded, Access to Counsel in Evictions will assist annually tens of thousands of tenants who have a defense, but it does not solve Maryland’s significant affordability gap:** There are 193,819 extremely low-income (\$31,600/year for family of four) renter households in Maryland. 74% of those households are severely cost-burdened, i.e., paying more than 50% of their income in rent. These households are one paycheck or expense away from facing an eviction.
7. **Landlords can collect “future rent” right now – but they still file in rent court each month.** Landlords claim they must file a rent complaint each month because courts refuse to award

“future rent,” i.e., rent that comes due between filing and trial, but that is not true. Lawyers from 12 jurisdictions around the state have verified that courts routinely award landlords future rent.

Even an amendment that would allow landlords to pass through the fee to tenants only after the 3rd failure-to-pay-rent filing in a year would still fall disproportionately on the renters who are least able to pay the increased fee because they are often on the brink of eviction. In the experience of our organization, landlords file against the same tenant repeatedly within the year because the purpose of the eviction filing is not eviction *per se* but rather debt collection.¹ For example, if there is a dispute between the landlord and tenant over \$500 in rent or other fees, the tenant may pay the \$1,000 monthly rent timely, but the landlord may still file an eviction complaint for multiple successive months because there remains a \$500 back balance to which the landlord allocates first the tenant’s payment each month, charging a late fee in each of those months as well. Even with a prohibition on pass-through of this surcharge, tenants still have ample incentive to pay the rent timely to avoid late fees and the current court costs that landlord pass through pursuant to statute. This additional proposed surcharge should instead serve as an incentive for the landlord to attempt to work with the tenant, accept a payment plan, and connect the tenant to social services if needed, instead of skipping straight to an eviction filing each month.

The Renters Alliance **urges the Committee’s report of Favorable on HB 693.**

¹ “The execution of an eviction is a double-edged sword for landlords, who must balance the costs of unit turnover with those of allowing a tenant to remain in rent arrears. But this is not the case for filing. *Filing* costs a modest fee, and initiates a legal process that leverages the power of the state both symbolically and physically to encourage the tenant to pay her late rent. Moreover, the process of repeated (“serial”) filing for eviction and charging late fees, even on tenants who are expected to eventually pay their rent, is used by some landlords as an additional revenue source.” Drs. Philip ME Garboden and Eva Rosen, *Serial Filing: How Landlords Use the Threat of Eviction*, City and Community: A Journal of the Community and Urban Sociology Section of the American Sociological Association, Vol. 18, No. 2, June 2019, at 11-12 (emphasis original) (internal citations omitted).

HB693_MLSC_FAV.pdf

Uploaded by: Michelle Siri

Position: FAV



MLSC

MARYLAND LEGAL SERVICES CORPORATION

IOLTA - INTEREST ON LAWYER TRUST ACCOUNTS

House Bill 693
Renters Rights and Stabilization Act of 2024
House Environment and Transportation Committee (primary) and
House Judiciary Committee (secondary)
Hearing Date: February 20, 2024
Position: Favorable

Maryland Legal Services Corporation requests a favorable report on HB693, which would make long overdue and necessary structural changes to Maryland's current eviction laws.

MLSC's mission is to ensure low-income Marylanders have access to stable, efficient and effective civil legal assistance through the distribution of funds to nonprofit legal services organizations. It currently funds 46 organizations to work toward that mission across the entire state. The Maryland General Assembly created MLSC in 1982 to administer the state's Interest on Lawyer Trust Accounts (IOLTA) program, and since that time MLSC grantees have assisted approximately 4 million Marylanders with a wide variety of civil legal needs. In 1998, the General Assembly enacted surcharges in civil cases as a source of funding for MLSC, and those surcharges now amount to one of our largest funding streams.

MLSC is grateful to the Maryland General Assembly for recognizing, time and again, the significance of civil legal services providers. The work our grantees perform touch all facets of life, including evictions and foreclosures; protection from domestic violence and elder abuse; bankruptcy and debt collection; child support and custody; and access to unemployment, health and other benefits. The pandemic made these issues even more prevalent and complicated, while at the same time also wreaking havoc on the service providers who now face unprecedented staffing shortages and turnover. Having an experienced advocate can make a tremendous difference for a low-income Marylander who, if not for civil legal aid, would be forced to navigate the legal system alone. But more and more individuals will find themselves rejected for services they otherwise qualify for, due to a lack of staffing and a shortage of experienced attorneys.

The Renters Rights and Stabilization Act of 2024 can help not only address the disparities within our landlord/tenant law framework, but also support and sustain MLSC and in turn the legal services providers upon whom so much relies. While MLSC supports the legislation as a whole, we offer the following testimony specific to our areas of expertise.

Filing Fees

HB693 increases *the surcharge* in summary ejectment, tenant hold over, and certain breach of lease matters from \$8 to \$93 per case. The current total amount for filing an eviction is just \$15, the lowest in the nation, and far lower than the national average of \$109. Increasing the *total filing fee* amount to \$100 would deter landlords from using our overburdened court system as a collection agency and ultimately decrease the number of frivolous eviction filings in our state.

At over 48%, Maryland has the highest eviction filing rate in the county, and the only one with a filing rate consistently above 20%. In 2016, Maryland's eviction filing rate was six times higher than the next highest state in the nation. These numbers, while shocking to the conscience, are not surprising given the ease with which landlords are able to file an eviction as a routine method of collection when rent is late. In fact, in 95% of all filings in Maryland, tenants pay the late

rent, fees, and court costs (including the filing fee) and thus avoid being evicted from the unit. This is known as the tenant right to redemption.

In order to prevent the increased fee from significantly overburdening tenants, and defeating the purpose of disincentivizing serial eviction filings, HB693 also includes a critical provision that prevents the landlord from passing the cost of the surcharge on to tenants. Notably, it does not prevent the landlords from assessing a 5% late fee and court filing fee or raising rent. Without the provision preventing the pass-through, landlords will continue their existing practice of using Maryland courts as a rent collection tool, as they will know that the filing fee will ultimately be recoverable. Furthermore, it will significantly increase the housing costs of low- and moderate- income tenants who are struggling to pay rent on time and need to exercise the right to redemption.

This law is not designed to prevent landlords from accessing the courts in appropriate cases. Rather, the law is designed to ensure that the court's involvement is reserved for cases warranting the drastic remedy of eviction, and is not implicated every time a tenant experiences a temporary short-term delay in making a payment. Indeed, small landlords frequently maintain strong lines of communication with tenants, and work with tenants on an individualized basis in times of need. Instead, the law would incentivize all landlords to take a more thoughtful approach to providing housing, reserving eviction, the most serious tool in the arsenal, for more serious cases.

Why is this important? Evictions often cause a spiral of legal and financial difficulties in the lives of tenants and their families, as well as significant social and economic costs across all of society. Jobs are lost, educations interrupted, families broken apart, and entire communities destabilized. Not all evictions can be avoided, but to the extent that less draconian approaches can be implemented, all of us benefit. **By simply setting court costs at a level more in keeping with other, similarly consequential civil cases, the law can incentivize less devastating solutions.**

Funding for Maryland Legal Services Corporation

Significantly, HB693 would distribute funds raised from this increased surcharge equally between a statewide Rental Assistance Voucher Program and the legislatively created MLSC Fund. As noted above, MLSC currently provides funding for over 46 grantees across the state. Funding is provided through Operating Grants to a broad spectrum of legal services providers, as well as through special projects, such as the Foreclosure Prevention Grant, the Estate Planning and Wills for Seniors Program, and the Access to Counsel in Evictions Program. These funds will **support legal services for over 82,000 Marylanders, directly benefiting over 160,000 individuals. Our grantees helped clients obtain more than \$16.2 million in economic awards and avoid over \$18.8 million in costs through their cases, for issues such as child support, consumer judgments and discharged debts.** Not only will these services help people in need, but they will also reduce strain on the court system and streamline interactions with state agencies, saving valuable time and funds. **At a time when Maryland's budget outlook is challenged, addressing the need of these Maryland constituents will benefit the state and save money in the short and long term, all through a self-sustaining revenue source, and not an appropriation.** According to the Administrative Office of the Courts' most recent [study on the economic impact of civil legal aid](#), Maryland civil legal services programs generate \$190 MILLION PER YEAR in economic activity, cost savings, and increased productivity as a result of their advocacy. In the decade since that study was conducted, the number of providers – and the demand for services – has increased dramatically, as has their impact.

Civil cases constitute approximately 85% of the cases heard within our courts, yet people who cannot afford an attorney are left to handle these complicated issues on their own, even when the issues at stake affect fundamental rights, such as custody of their children, their physical safety, their housing, or their employment. Supporting civil legal aid is an investment with a good return for taxpayers, businesses and communities, saving money from legal aid's success in reducing homelessness for children, veterans, seniors, people with disabilities, and others, and the incidence of domestic violence. Civil legal aid also helps streamline the court system by reducing the number of unnecessary lawsuits and cutting down on court costs and staff overtime. Providing access to an attorney not only meets a litigant's existing legal needs but

can equip them for future success, preventing legal conflicts from arising in the first place, and decreasing the need for further costly intervention.

Maryland's dedicated cadre of legal services providers, many of whom are graduates from Maryland's two prestigious law schools, provide representation across the state, from Western Maryland to the Eastern Shore, Baltimore City, and all the counties in between. Often sacrificing the financial stability from opportunities to work in private practice, they have chosen to dedicate their careers to fighting for access to justice for all Marylanders, so that no one is left behind and caught up facing the legal system alone. They are active members of the communities in which they provide services, partnering with community groups, faith-based organizations, local governments and more to educate and serve residents. They offer a variety of models to best suit clients' needs, ranging from individual appointments to large clinics and workshops. The work they perform is quite literally life-changing, whether it is representing a tenant being unjustly evicted, a working mother trying to obtain benefits for her family, or a victim of domestic violence or sexual assault, seeking the protection of the courts.

Civil legal aid affects all regions of Maryland. MLSC's nonprofit grantees have the expertise regarding service models that work best in each of Maryland's jurisdictions and tailor their services to best meet the need of each region. These organizations are well-established and trusted members of their local communities, with the backing and collaboration of a statewide delivery system. Funds provided through HB693 will offer stability as we navigate the uncertain times ahead and help address the staffing crisis that if left unfunded will destabilize the provision of civil legal aid across the state.

Office of Tenants' Rights and Other Provisions

The remainder of HB693 establishes an Office of Tenants' Rights within the Department of Housing and Community Development, which will develop and publish a Maryland Tenants' Bill of Rights. It further limits the maximum amount of a security deposit to one month's rent, extends the time period between granting a judgment of possession in favor of a landlord and executing a warrant of restitution, and places restrictions on evictions during extreme weather events. Finally, HB693 creates a right of first refusal in certain circumstances, allowing renters the opportunity to purchase the property in which they reside. MLSC supports all of these provisions as they build upon work the General Assembly has conducted over the course of several years in establishing the Access to Counsel in Evictions Program and Taskforce. **The provisions in HB693 recognize that evictions result in great economic burdens on both landlords and tenants, break up communities, hurt prospects for future employment and housing, and increase the need for homeless services. In short, eviction negatively affects everyone involved in the process.**

For all the foregoing reasons, MLSC strongly supports House Bill 693 and urges a favorable report. If we can provide any further information or assistance, please do not hesitate to contact Michelle Siri, Executive Director, at 410-576-9494 x1009, or msiri@mlsc.org.

HB693_QVM_Testimony_SUPPORT.pdf

Uploaded by: Molly Finch

Position: FAV



February 16, 2024

Dear Chair Delegate Korman, Vice Chair Delegate Boyce, and Members of the Committee,

Quaker Voice of Maryland is submitting this testimony in FAVOR of HB693 – *Renters' Rights and Stabilization Act of 2024.*

We have identified this bill as one of our priorities for the 2024 general assembly because Quakers across Maryland have shared their concern about housing affordability and access. One of the testimonies of Quakerism is equality and we see the Renters' Rights and Stabilization Act of 2024 as providing equal housing protection and opportunity for our kin who are accessing housing through renting.

We see the Act as seeking to reach this equality and improve housing stability by:

- Better protecting current renters from certain evictions. *Protecting housing stability.*
- Securing a "Right of First Refusal" so that if a landlord wants to sell a property that is being rented, the tenants who are renting would be given a chance to buy. *Supports homeownership.*
- Creating an Office of Tenant Rights to advocate for renters in Maryland and provide technical assistance related to the "Right of First Refusal" and information on renters' rights. *Educational opportunity to increase housing stability.*
- Altering the priority and criteria in the Statewide Rental Assistance Voucher Program. *Creating protections to keep essential rental assistance available at the state level.*

We thank Vice Chair Delegate Boyce for their sponsorship of this bill and encourage a FAVORABLE report for this essential legislation.

Sincerely,

Molly Finch

Working Group Member, on behalf of Quaker Voice of Maryland

Personal email: mgsfinch@gmail.com

Organization email: quakervoicemd@gmail.com

hb 693 Renters Rights and Stabilization Act of 202

Uploaded by: Patty Crankshaw-Quimby

Position: FAV



**Maryland's Association of Animal Care and Control
Agencies and Humane Societies**

**PO Box 1143
Easton, Maryland 21601**

**HB 693 Renters' Rights and Stabilization Act of 2024
Maryland House of Delegates**

February 16, 2024

Dear Honorable Chairman Korman, Vice Chair Boyce and members of the committee:

Professional Animal Workers of Maryland (PAWS) the state organization comprised of animal control agencies and humane societies unanimously supports and encourages a favorable report on HB 693

It may seem odd for an organization comprised of animal control agencies and animal shelters to support a housing bill. The truth is, we see what lack of affordable housing does to families across Maryland daily. Our agencies are often the ones left to help these families when housing is unavailable- we end up caring for and rehoming their beloved pets. Our organization supports any effort to assist Marylanders find affordable and safe housing, as it assists our efforts in keeping families- pets included together. If we go one step further, *affordable and pet friendly housing* will also directly reduce the number of animals entering our facilities.

Professional Animal Workers of Maryland believes the passing of HB 693 is a valuable tool in serving residents and pets in Maryland.

Please feel free to contact me with any questions or concerns.

Sincerely,

Patty Crankshaw-Quimby, CAWA

Executive Director/Chief Animal Control Officer: Talbot Humane/ Talbot County Animal Control

President: Professional Animal Workers of Maryland

HB 693.pdf

Uploaded by: PRISCILLA KANIA

Position: FAV



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HB 693 – Renters' Rights and Stabilization Act of 2024
House Environment and Transportation Committee
FAVORABLE
February 20, 2024

Good afternoon, Chair Korman, Vice Chair Boyce and members of the House Environment and Transportation Committee. I am Priscilla Kania, AARP volunteer lead advocate and resident of Anne Arundel County. On behalf of over 850,000 members, we thank you for the opportunity to speak in support of HB 693 - Renters' Rights and Stabilization Act of 2024. We thank Governor Moore for initiating this important legislation.

HB 693 increases the surcharge for filing an eviction case from \$18 to \$93 and does not allow landlords to pass that on to the tenant. This is to make sure it is a deterrent for landlords to file frivolous cases. While this is a positive step, we do want to be mindful of the landlords who only have one tenant – usually someone living in their home or on their property, such as in a duplex or accessory dwelling unit (ADU).

Section 5-102 (A) of the bill establishes an Office to Tenant Rights. The office will be responsible in providing support and resources to tenants. This is excellent for renters and is likely to decrease unnecessary evictions.

Section 8-119 of the bill proposes to create a right of first refusal for tenant(s) to buy the property from the landlord, if it is up for sale. Before the landlord is allowed to sell it to a bonafide purchaser, the landlord must first offer the tenant/group of tenants the opportunity to buy the property. The bill requires that the landlord cannot ask more than 4% deposit (down payment) from the tenant if the tenant would like to buy the property. The Committee might want to consider changing that to the standard down payment rate at the time of purchase. While providing the first right of refusal to buy the property to the tenants is a good thing, there might be some consideration to make sure the process is like a standard sale of real estate transaction. The special treatment in relation to the deposit/financing clause can be provided to long term tenants (tenants who have lived there for more than five years).

Housing for Marylanders 50 and over and those who may be economically disadvantaged is a priority for AARP Maryland. Home ownership is all too often not an option for working class Marylanders and those on limited and or fixed incomes. When people pay over 30% of their income for rent, they often sacrifice necessities such as food and medicine. They rarely have a cushion for emergency expenses and can fall behind in their rental payments. We see landlords

raising rents at a remarkably high rate and evicting tenants to get higher rent from less disadvantaged tenants.

There are components to this bill and AARP Maryland appreciates and supports legislation like this that values both the landowners and the tenants, as well as appreciating the value of home ownership.

AARP Maryland is committed to working with you to effectively address Maryland's housing options for older adults. We ask the Committee to issue a favorable report on HB 693. If you have any questions, please feel free to contact Tammy Bresnahan at tbresnahan@aarp.org or by calling 410-302-8451.

Thank you.

2024.02.16 - A2JC Written Testimony - HB693 Renter

Uploaded by: Reena Shah

Position: FAV

HB693

Renters' Rights and Stabilization Act of 20224

FAVORABLE

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University of Baltimore School of Law
- Hon. Christopher West**
Maryland State Senate

STAFF

- Reena K. Shah**
Executive Director

The Maryland Access to Justice Commission (A2JC) is an independent entity powered by the Maryland State Bar Association (MSBA). We unite leaders to drive reforms and innovations to make the civil justice system accessible, equitable and fair for all Marylanders. Prominent leaders from different segments of the legal community in Maryland – including the Attorney General, deans of the two Maryland law schools, law firm partners, heads of the legal services and social services providers and funders, corporate general counsel, academics, legislators, the state bar and judiciary comprise the A2JC.

A2JC's top priority this year is to ensure full and continuous state funding for the Access to Counsel in Evictions law. Thus, A2JC strongly supports HB693 and encourages a favorable committee report.

HB693 is the ONLY Source of ACE and Civil Legal Aid Funding During this Tough Budget Year

It is important to highlight that during this difficult budget year, HB693 does not appropriate any money for ACE or civil legal aid. The money for ACE and civil legal aid funding would come from the increase in the surcharge of the filing fee for eviction cases. **HB693 is the only vehicle through which to achieve ACE funding this year.** The full amount of the increase in the bill from \$15 to \$100 is necessary to achieve the needs asserted for both ACE funding and for general civil legal aid. The bill will allocate 50% of the projected \$25M - \$30M revenue from this bill to MLSC to put towards ACE and other civil legal aid funding needs. The need expressed by MLSC has been \$6M for ACE and an additional \$8.6M for civil legal aid. This amounts to MLSC receiving only between \$12.5M and \$15M in the first year, potentially not covering the full need as is. In subsequent years, the higher filing fee will reduce the amount that is available for ACE and civil legal aid funding. For this reason, it is important to maintain the filing fee increase to \$100 and not reduce it to ensure that the need for ACE and civil legal aid funding is met.

Background on ACE Funding

During the 2021 legislative session, the Maryland General Assembly passed HB 18, making Maryland only the second state in the nation to have a program that provides access to legal representation to all income-qualified persons facing eviction on a statewide basis (the Program). Maryland was part of a larger national movement which saw many state and local jurisdictions using the influx of federal emergency rental assistance (ERA) funds to adopt transformational eviction prevention measures, including a legislatively mandated access to counsel.

The resulting Access to Counsel in Evictions law, which went into effect on October 21, 2021, provides that all Marylanders who income qualify, **shall** have access to legal representation in “a judicial or administrative proceeding to evict or terminate a tenancy or housing subsidy,” including the most voluminous type of landlord/tenant case, Failure to Pay Rent. In FY 2021, landlord/ tenant cases made up 45% of the civil legal cases in Maryland in 2021, if Motor Vehicle cases are excluded.

At the start of the 2022 legislative session, the Program remained unfunded. The Access to Counsel in Evictions Task Force, which was created by HB 18 to monitor implementation of the ACE Program, strongly asserted in its inaugural report that **funding** was the ACE Program’s “**most urgent and critical need**.” The Maryland Access to Justice Commission, along with other justice partners, made Program funding its top priority during the 2022 and 2023 legislative sessions and succeeded in advocating with the General Assembly and Governor to provide base level funding until FY2027.

However, the Access to Counsel in Evictions Task Force has recommended in its annual report to the legislature that an additional \$6M of funding is needed to continue to build infrastructure of the program for FY2026.

Now, during the 2024 legislative session, the General Assembly must act to ensure stable and continuous state funding for the ACE law. Successful implementation of the ACE Program is even more urgent now as we deplete the last of the federal emergency rental assistance, which has been a key driver in keeping eviction case filings significantly lower than pre-pandemic levels. As this important safety net for landlords and tenants expires, the ACE Program is poised to serve as the strongest bulwark against evictions. The Access to Counsel in Evictions Task Force has recommended in its annual report to the legislature that an additional \$6M of funding is needed to continue to build infrastructure of the program for FY2026.

The True Cost of Evictions

The need for the Access to Counsel in Evictions law in Maryland acknowledged the personal and societal costs of evictions, citing the following:

- Evictions are a detriment to public health.
- In addition to the loss of a home, evictions come with collateral consequences that may have generational impact.
- Evictions also cost state and local governments a significant amount of money, including costs associated with shelters, education, transportation for homeless youth, foster care, and health care provided in hospitals rather than community based care.

- Evictions have a disparate impact on Black and Brown households and those led by women.
- Evictions are a high stakes legal process where access to legal representation is markedly uneven between landlords and tenants.

The General Assembly sought to address the myriad of personal and societal challenges posed by evictions by adopting a recognized and cost-effective eviction prevention strategy - *access to legal representation* - that had been proven in other jurisdictions to reduce disruptive displacement of families as well as the attendant social, economic and public health costs to society at large.

The Effectiveness of Legal Counsel in Reducing Eviction

Indeed, jurisdictions that have enacted right-to-counsel laws before the pandemic, like New York City, saw drastic reductions in evictions – without any of the other factors that have aided in eviction prevention since the pandemic – including moratoriums and rental assistance. In New York City, 86% of represented tenants remained in their homes and eviction filings decreased by 30% just through the provision of counsel.

Stable and Continuous Funding is the Lynchpin to Successful ACE Implementation

It is not an understatement to say that successful Program implementation hinges on continued and stable funding. While over the past couple of years, the legislature has understood the importance of the ACE program and have steadily worked to acquire funding for it, this year, the funding hinges on achieving an increase in filing fees of eviction cases without passing the cost of the fee to the tenant.

Fluctuations that come from intermittent funding sources will have deleterious impacts on staffing levels, outreach and evaluation efforts, and more. Without sufficient funding on an on-going basis, full implementation of the Program will not be possible, resulting in many low-income Marylanders needing to navigate complex eviction cases on their own, without legal representation.

Stakes are high for vulnerable Marylanders facing eviction and the ACE Program has the potential to be game-changing and transformative. The Maryland General Assembly was a leader in establishing a state-wide right to access to counsel in eviction proceedings. It must now provide a stable and continuous source of state funding for the ACE Program in order to make this ground-breaking law effective at keeping Marylanders housed.

High Eviction Filing Rates

One of the key challenges the Task Force identified to implement the Program is the exceedingly high number of case filings in Maryland. In addition to putting tenants to a continuous churn of insecurity and stress that traps tenants in a cycle of debt, the number of case filings also increases the cost to implement HB18, which provides counsel to anyone facing an eviction in Maryland.

HB693 aims to reduce evictions by disincentivizing serial filings. Currently, the barriers to entry for an eviction filing are too low and allow for hundreds of thousands of cases to be filed and churned through the courts unnecessarily. Filing fees in Maryland are one of the lowest in the country and could be increased to both reduce evictions and address the funding gap for the Access to Counsel in Eviction Fund.

The Prohibition on the Pass Through Must be Maintained

While we support HB693 as drafted, if the bill is amended to allow landlords or the court to pass the increase in filing fee surcharge to the tenant under any circumstances, the purpose of the bill is eviscerated. There would no longer be any disincentive for the landlord to file an eviction action if the landlord or the court can pass that surcharge onto the tenant. We would vocally oppose any surcharge increase in which that surcharge may be passed onto the tenant under any circumstances.

Even an amendment that would allow landlords to pass through the fee to tenants only after the 3rd failure-to-pay-rent filing in a year would still fall disproportionately on the renters who are least able to pay the increased fee because they are often on the brink of eviction.

For the reasons stated, the Maryland Access to Justice Commission requests the House Environment and Transportation Committee to issue a FAVORABLE report HB693. **We support HB693 as is and would encourage the rise in the filing fee to remain at \$100 so that it can meet the need for ACE funding and civil legal aid funding. We oppose any amendments to allow the increased surcharge to be passed on to tenants under any circumstances.** For more information, please contact Reena K. Shah, Executive Director of the Maryland Access to Justice Commission, at reena@msba.org.

2024.02.16 - PILC Written Testimony HB693 Renters'

Uploaded by: Reena Shah

Position: FAV



PUBLIC INTEREST LAW COMMITTEE

POWERED BY MSBA & A2JC

HB693

Renters' Rights and Stabilization Act of 2024

FAVORABLE

The Public Interest Law Committee (PILC) of the Maryland Access to Justice Commission is the public interest community of attorneys, judges, academics and public interest organizations within the Maryland State Bar Association. PILC supports HB693 because we believe that property law should advance equity and end racial disparities in Maryland.

Understanding that different sections of the MSBA may have a different perspective, PILC provides the public interest perspective on the provisions in HB693 related to the first right of refusal.

The right of first refusal provisions in HB693 give renters a path to homeownership that keeps them in their home and in their community. Communities thrive when households are rooted in their neighborhood and have a long-term stake in community-economic development. Many renters want to be part of that development without worrying about lease terminations or rising rents. They also want access to building equity and long-term wealth. Right of first refusal is one tool in the toolbox to accomplish these aims.

A [Shelterforce](#) article highlighted how “a 2013 report from the D.C. Fiscal Policy Institute found that [Washington, D.C.’s right of first refusal law] helped preserve nearly 1,400 units of affordable housing in the District between 2003 and 2013, at just a fraction of a cost of building new affordable units. [The right of first refusal law] and Washington, D.C.’s Housing Production Trust Fund have led to the creation of 4,400 limited-equity co-op units across 99 buildings.”

The right of first refusal will also help reduce racial disparities in homeownership. While Black households make up 30% of all Maryland households, they compose 43% of all renter households ([2022 ACS data](#)). According to the [2020 Maryland Housing Needs Assessment](#), the Black homeownership rate is 26 percentage points lower than that of white households.

A November, 2023 [Washington Post](#) article discussed how in 1983 four tenants purchased their 6-unit apartment building. None of them earned more than \$15,000 a year. “In a city that has seen many Black and low-income residents pushed out by housing costs and rising rents, the four African American women long ago claimed a piece of the city, and they held on.” Each of these former renters remained in their homes and their neighborhood for over 40 years.

HB693 focuses on properties that typify the so-called “naturally occurring affordable housing” segment: properties of one to four units. These properties (240,119) account for 31% of all rented units in the state ([2022 ACS data](#)). The vast majority of the rental market is therefore unaffected by this tailored legislation.

The timeline of procedural steps under HB693 for tenants’ exercise of the right of first refusal is modest and shorter than timelines in other jurisdictions. For instance, in Washington D.C., tenants have 45 days to create and incorporate an organization, 120 days to negotiate a contract of sale, and then 240 days to obtain financing. In contrast, HB693 provides tenants no time to form a group, 20 days to notify the seller of their intent to purchase, then 10 days to pay a deposit and show proof of financing, and 90 days to close.

HB693 also establishes an Office of Tenants’ Rights, which would raise awareness among renters about their right of first refusal and options for financing their purchase.

For the reasons stated above, the Public Interest Law Committee of the Maryland Access to Justice Commission urges the House Environment and Transportation Committee to issue a FAVORABLE report on HB693. For more information, please contact reena@msba.org.

HB0639 - MSBA Support Letter (2024.02.16).pdf

Uploaded by: Shaoli Katana

Position: FAV



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To: Members of the House Environment and Transportation Committee and House
Judiciary Committee
From: Maryland State Bar Association (MSBA)
Subject: HB 693 – Renters’ Rights and Stabilization Act of 2024
Date: February 16, 2024
Position: **Support**

The Maryland State Bar Association (MSBA) joins its partner, the Maryland Access to Justice Commission, and **supports House Bill 693 – Renters’ Rights and Stabilization Act of 2024**. HB 693 increases maximum surcharges for certain eviction and prohibits the District Court from assigning the surcharge against a tenant; alters the priority and criteria in the Statewide Rental Assistance Voucher Program; establishes a new state Office of Tenant Rights; and limits the maximum security deposit required by a residential lease to 1 month's rent.

MSBA represents more attorneys than any other organization across the state in all practice areas. Through its advocacy committees and various practice-specific sections, MSBA monitors and takes positions on legislation that protects the legal profession, preserves the integrity of the judicial system, and ensures access to justice for Marylanders.

*Note: MSBA supports all aspects of the bill except on the issue of a tenant’s right of first refusal, specifically: (1) Page 8, Line 5 through Page 12, Line 23, and (2) Page 14, Lines 20-21, as this is a controversial issue within our membership. MSBA takes no position on this issue and defers to its practice-specific sections to provide any information and testimony on this portion of the bill.

MSBA Supports Increased Funding for Civil Legal Aid

MSBA supports access to justice for Marylanders, funding of the justice system, and equal justice for all. MSBA remains a strong advocate for the Maryland Legal Services Corporation (MLSC), an entity that provides a significant resource to Marylanders for direct legal services. HB 693’s proposed increase in the MLSC Fund through a filing surcharge increase would continue to allow Maryland’s high-quality legal services reach the state’s low-income and vulnerable populations.

As the gap between legal needs and available services continues to grow, increased civil legal aid funding would immediately address both the current and future need for services in cases that affect the basic human needs of Marylanders, including shelter, safety, and health. HB 693 would provide meaningful funding for low-income persons facing evictions, and also support greater technological innovation, training, and a broader range of services from aid providers. Investments in civil legal aid now will



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provide overall cost-savings to the state through reduced fees for emergency health care, counseling, and shelter costs.

MSBA Supports Increased Protections for Renters Through New Office and Bill of Rights

MSBA supports the establishment of an Office of Tenant Rights in the Department of Housing and Community Development, tasked with educating and informing renters about their rights under the law and referring relevant landlord-tenant cases to the appropriate law enforcement agency or other agency. The Office will provide tenants with greater awareness of legal remedies and earlier access to resources to prevent evictions, including a Maryland Tenants' Bill of Rights, a publicly accessible website with relevant housing resources, and an understanding of how to report housing violations.

For these reasons, MSBA respectfully urges a **favorable report on House Bill 693**.

Contact: Shaoli Katana, Advocacy Director (shaoli@msba.org, 410-387-5606)

Anne Arundel County _FAV_HB693.pdf

Uploaded by: Steuart Pittman

Position: FAV



February 20, 2024

House Bill 693

Renters' Rights and Stabilization Act of 2024

**House Judiciary and Environmental and Transportation
Committees**

Position: FAVORABLE

Anne Arundel County **SUPPORTS** House Bill 693 – Renters' Rights and Stabilization Act of 2024. This is a comprehensive Bill that seeks to stabilize the rental market and protect renters.

Maryland has one of the highest eviction filing rates in the country; our average filing rates per household are at least 3 times higher than all of our neighboring states. Unfortunately, too often, these filings are unreasonable, and the system is being abused. Many times the landlords are filing for eviction simply because the rent is late, and they are overusing the court system as their own collection agency. Maryland currently has one of the lowest filing costs in the nation, and this only exacerbates the issues because it favors the landlords always to file. This bill will significantly raise the filing fee from \$8 to \$93, which is still slightly below the national average, and protect the renters by explicitly prohibiting the surcharge being passed on to them.

Another key component of this Bill is creating the new Office of Tenants' Rights. This office will be tasked with the responsibilities of creating and disseminating a Maryland Tenants' Bill of Rights. Having accessible resources and educational materials to help renters better understand the rental process and their rights is fundamental to our ongoing efforts to combat unlawful housing discrimination. The Office of Tenants' Rights will also help implement fair housing testing and serve as a recourse for tenants to take and refer reports of violations to appropriate enforcement agencies.

Given the many complex challenges renters already face today, worsened by the housing shortage, it is imperative that we employ all available options to help renters. Limiting the maximum security deposit to one month's rent, ordering courts to stay eviction in extreme weather conditions, establishing the Rights of First Refusal, and creating a new Statewide Rental Assistance Voucher Program are good measures in this Bill that will help us stabilize the rental market and protect vulnerable renters. For all of these reasons, I respectfully request a **FAVORABLE** report on House Bill 693.

A handwritten signature in blue ink, appearing to read "Stuart Pittman".

Stuart Pittman
County Executive

HB693_SusanAllen_FAV.pdf

Uploaded by: Susan Allen

Position: FAV

HB693_SusanAllen_FAV

February 20, 2024

Susan Allen
3463 Rockway Avenue
Annapolis, MD 21403

TESTIMONY ON HB693 - POSITION: FAVORABLE
Renters' Rights and Stabilization Act of 2024

TO: Chair Korman, Vice Chair Boyce, and members of the Environment and Transportation Committee

FROM: Susan Allen

My name is Susan Allen. I am a resident of District 30. I am submitting this testimony in support of HB693 Renters' Rights and Stabilization Act of 2024.

I am a member of the Maryland Poor People's Campaign. My support of basic human rights for all Maryland residents is also deeply supported by my congregation at St. Anne's Episcopal Church and my work with Anne Arundel Connecting Together.

I feel intense shame that Maryland—a state I love—is the eviction capital of the United States.

HB693 can immediately lower evictions by increasing the shockingly low surcharge a landlord pays to take renters to court.

I have personally heard testimony in MGA committees that agents for landlords immediately file eviction proceedings for \$15 or less WHEN A TENANT IS ONE DAY LATE ON PAYING RENT. Low wealth and working families cannot afford to go to Renters Court.

My husband and I are terrified to rent in Maryland because of the lack of basic protections for tenants. Our financial helpers have suggested we rent while we find housing we can age in.

WE SAID NO, WE CANNOT RISK RENTING IN MARYLAND. EVEN THOUGH WE WOULD BE GOOD TENANTS because our rights are not protected.

HB 693 puts into law long overdue renters' rights that I have seen defeated over and over again in the Maryland General Assembly. It's time to make Maryland fair to renters, especially those who are poor and from low-wealth working families.

I respectfully urge this committee to return a favorable report on HB 693.

2024.02.16 - ACE TF Written Testimony Renters' Rig

Uploaded by: Tara Miles

Position: FAV



HB693

Renters' Rights and Stabilization Act of 2024

House Environment & Transportation Committee

SUPPORT

The Renters' Rights and Stabilization Act of 2024 provides for funding for the Maryland Legal Services Corporation, which is the entity that administers the Access to Counsel in Evictions (ACE) law. The implementation of the ACE law is off to a great start. In just the first year of the implementation, MLSC reports that they have served almost 5000 tenants, 85% of whom have avoided disruptive displacement.

Funding for the ACE law is at a critical stage. We are mid-construction in building up the infrastructure of this new law and we need to complete construction so that Marylanders can actually reap the benefits of the endeavor. ACE is in need of \$6M additional dollars to fully implement in FY2026. Therefore, finding a funding mechanism to do that is critical. This year, the only funding mechanism to fund the ACE law is through the Renters' Rights bill. For this reason, we support the bill and urge a favorable report.

The Access to Counsel in Evictions Task Force

[The Access to Counsel in Evictions Task Force \(ACE TF\)](#) is a legislatively mandated body that was created by HB18, the Access to Counsel in Evictions law. The ACE TF has 15 members, including 3 tenant representatives; 2 landlord representatives; legal services organizations, community groups, the state bar, the judiciary and MLSC. The ACE TF is staffed by the Office of the Attorney General and the Chair of the Task Force is appointed by the Attorney General. The ACE TF's role is to do the following:

- Evaluate the services provided through the ACE Program;
- Study potential funding sources; and
- Make recommendations to improve the implementation of the Program, including necessary policy and statutory changes.

The Task Force has issued three reports to the Governor and the legislature since its inception. The January 2024 annual report was delivered on December 31, 2022 and can be found here: https://www.marylandattorneygeneral.gov/A2C_Docs/2024_ACE_TF_Report.pdf.

Key Recommendations from the ACE TF Report:

The ACE TF deemed permanent and on-going State funding for the ACE Program to be its top

priority to ensure continuity and confidence in building and implementing a successful statewide ACE Program. In light of the end of pandemic era protections and the proven effectiveness of ACE, the ACE TF asserted that the ACE law is poised to serve as the strongest bulwark against disruptive displacement and eviction in Maryland.

Specifically, the Task Force recommended the following in terms of funding:

For the General Assembly

- **Provide \$6 million dollars in additional funding for the ACE Fund for FY2025 in order to achieve expansion and full implementation of the ACE Program by 2025.**
- Reevaluate and readjust funding amounts each year anticipating necessary increases to expand and fund complete implementation.
- **Include funding for the Access to Counsel in Evictions Program in the state's budget or making the funding allocation from the Abandoned Property Fund indefinite and variable based on demonstrated annual need.**

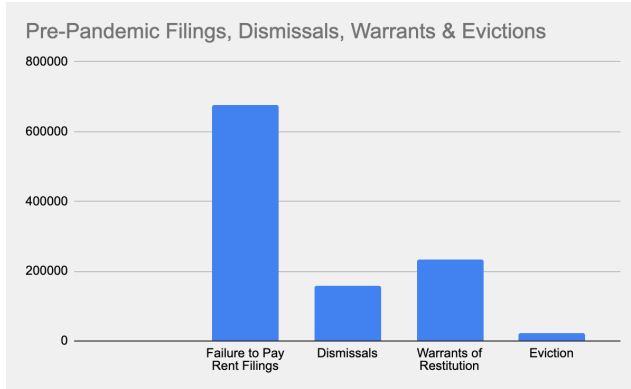
Key Reasons Why the Access to Counsel in Evictions Law is Necessary

As the Committee considers the Renters' Rights bill, it is important to remember why the law was passed in the first instance, and why it is important to continue to fund it to ensure we are able to reap the benefits of the law.

1. **High number of case filings: In 2019 - there were 674,575 filings compared to about 805,000 renter households.**



2. **Case filings are high relative to evictions, but both are high on their own terms. In 2019, there were 674,575 filings, approximately 158K dismissals, approximately 234K Warrants of Restitution & 21,676 Evictions.**



3. Evictions are a public health issue

Many studies show that eviction is a public health issue and can exacerbate public health impacts.

4. Evictions have many Collateral Consequences, harming individuals, families and communities. They

- Place a great economic burden on landlords & tenants;
- Hurt future employment & housing prospects of tenants;
- Negatively impact physical & mental health of those impacted;
- **In children:** lower school performance and increase behavioral issues.

5. Disproportionate impact on women & persons and communities of color, especially Black women

2020 Baltimore City study finds that the *“number of Black female headed household removals is 3.9 times higher (296% more) than the number of white male headed evictions.”*

6. Evictions are costly to the state when you add up law enforcement, shelter, healthcare, transportation and foster care costs.

7. Eviction is a complex legal process for vulnerable Marylanders to navigate on their own.

- There is a knowledge gap between landlords and tenants about laws and court process;
- Eviction can involve navigating federal, state, local, contract and case law.
- **1% tenants represented v. over 96% of landlords with some type of legal representation.**

8. “Providing a right or access to counsel to tenants in eviction cases is a proven means of preventing the disruptive displacement of families and the resulting social, economic, and public health costs of such displacement.”

For example, in New York City, 84% of households represented in court by lawyers were able to remain in their homes. In Cleveland, 93% of represented tenants have avoided an eviction or involuntary move.

The ACE Task Force Supports HB693

We need to continue to fund the ACE law to ensure that tenants get the help they need to prevent evictions or disruptive displacement. For the reasons stated, the ACE TF requests the House Environment and Transportation Committee to issue a FAVORABLE report HB693. For more information, please contact Tara Miles or Sophie Asike, OAG staff to the Task Force at tmiles@oag.state.md.us or sasike@oag.state.md.us, or Reena Shah, Chair of the Task Force at reena@msba.org.

Health Care for the Homeless - 2024 FAV HB 693 - R

Uploaded by: Vicky Stewart

Position: FAV

**HEALTH CARE FOR THE HOMELESS
TESTIMONY IN SUPPORT OF**

HB 693 - Renters' Rights and Stabilization Act of 2024

**House Environment and Transportation Committee
February 20, 2024**



Health Care for the Homeless strongly supports HB 693, which will help end and prevent homelessness by making a number of key reforms to enable Marylanders to obtain housing and keep them stably housed.

Health Care for the Homeless Supports HB 693 Because It Helps Move People from Crisis to Stability

Health Care for the Homeless is Maryland's leading provider of integrated health services and supportive housing for individuals and families experiencing homelessness. Since 1985, we have grown from one small clinic in the heart of the city, to 240 employees across multiple clinic sites (downtown, West Baltimore, Baltimore County) and a mobile clinic providing care partner sites throughout the Greater Baltimore area. This expanded reach, and a diversity of health disciplines on staff, exemplifies our approach: we meet people where they are—geographically and emotionally—with *easy access to the health care, supportive services and resources necessary to move from crisis to stability*.

From infants to aging adults, Health Care for the Homeless serves about 10,000 clients annually, with care and supportive services that include vital screenings, treatment for chronic illness and addiction, behavioral health therapy, immunizations, dental care, public benefits assistance and more. We take extra efforts to pursue a personalized care model that includes robust coordination and collaborative teams consisting of primary care clinicians, nurses, counselors and behavioral health therapists. Each team works as a single, cohesive group to develop goals and a care plan specific to the needs and circumstances of each client—with the *ultimate goal of helping people regain housing*.

The reforms as contemplated by HB 693 will not only assist our staff in ensuring the clients we serve can regain housing and remain stably housed, but it will help vulnerable Marylanders throughout the state.

With the Cost of Housing Already Too High, Renters Need Reforms to Keep Them Stably Housed

Low income relative to cost of living combined with a dire lack of affordable housing creates conditions where ensuring renters can stay housed is imperative to the lives of Marylanders. Maryland is the 10th most expensive state in the country, with a housing wage of \$31.08 for a two-bedroom apartment at fair market rent.¹ With the State's minimum wage, that means a person would have to work 79 hours per week to afford a two-bedroom apartment.²

Given this landscape, enacting broad policy reforms to ensure that renters can obtain and stay housed is imperative given that if they are evicted and become unhoused, it would be immensely difficult to find

¹ National Low Income Housing Coalition, *Out of Reach* (2023), Maryland data, available at <https://nlihc.org/oor/state/md>; see also [Maryland | National Low Income Housing Coalition \(nlihc.org\)](https://nlihc.org).

² Id.

affordable housing. One such policy reform in this bill is to reduce the allowable security deposit for renters in Maryland from two month's rent to one month's rent. This change closes the "first and last month's rent" loophole by limiting the tenant costs to occupy the premises to the security deposit and first month's rent. Currently, a tenant is often required to produce the equivalent of two months' rent as a security deposit and an additional month's rent as the first month's payment, totaling 3 months rent to become housed or move. In 2022, the median rent for a two-bedroom apartment in Maryland was \$1,600, meaning a tenant can be required to come up with nearly \$4,800, or more, to move in.³ According to the Federal Reserve, the median American family has about \$5,300 accessible in savings accounts,⁴ an amount that would be nearly, if not completely, used up to pay a two-month security deposit and the first month's rent on a two-bedroom apartment in Maryland. The typical renter has only about \$3,400 in total savings.⁵ For many renters, even those with incomes at or above the area median, this places a new home out of reach. We also know that 52% of renters are spending 30% or more of their income on housing related costs. According to the National Low Income Housing Coalition 2023 GAP Report, there are more than 200,000 Maryland households making less than 30% of AMI.⁶ If a renter has budgeted to spend 30% of their income on rent,⁷ they would be required to come up with 90% of their monthly earnings to simply become housed.

Given that rent in Maryland is far too high with the relative income, it is unsurprising that security deposits have been categorically cost-prohibitive to many renters. Reducing the amount of allowable security deposit by half will be immensely helpful in enabling Marylanders to obtain housing in the first place. Affordable security deposits can therefore help end an individual or family's experience of homelessness.

Homelessness and Health are Inextricably Linked

Homelessness is a housing and health crisis. Homelessness creates new health problems and exacerbates existing ones. Where someone who is stably housed could easily manage something like diabetes or hypertension, our providers see every day that homelessness makes caring for these things exponentially harder and sometimes impossible. There is ample data to show that housing improves health.⁸

It is no surprise that the mortality rates among people experiencing homelessness are substantially higher than those of their housed counterparts – the life expectancy of those housed residents living in the

³ Numbers from the most recent report of the Maryland Interagency Council on Homelessness show an even grimmer picture. Data from the report showed that the average rent for a two-bedroom unit in Maryland was \$1,700 per month, while the average amount that households at 30% AMI have available for rent is \$708. The Maryland Interagency Council on Homelessness (ICH), available at <https://dhcd.maryland.gov/HomelessServices/Documents/2021AnnualReport.pdf> (released 2022), page 8. In accordance with Housing and Community Development Article § 4-2101, the Interagency Council on Homelessness (ICH) is staffed by the Department of Housing and Community Development (DHCD) and includes a number of diverse community stakeholders as its membership.

⁴ U.S. News, The Average Savings Account Balance (Feb. 2024), available at [The Average Savings Account Balance | Banking Advice | U.S. News \(usnews.com\)](https://www.usnews.com/story/money/banking/average-savings-account-balance).

⁵ Zillow, Renters of color pay higher security deposits, more application fees, available at [Renters of color pay higher security deposits, more application fees - Apr 6, 2022 \(mediaroom.com\)](https://www.zillow.com/research/renters-of-color-pay-higher-security-deposits-more-application-fees-2022/).

⁶ <https://nlihc.org/gap/state/md>

⁷ Renter households spending more than 30% of their income on housing costs and utilities are considered "cost burdened," and those spending more than half of their income are "severely cost burdened." [Maryland | National Low Income Housing Coalition \(nlihc.org\)](https://www.nlihc.org/)

⁸ For instance, a recent report on the outcomes of the Maryland Medicaid supportive housing waiver program, known as Assistance in Community Integration Services (ACIS) showed "[s]tatistically significant decline in the average number of ED visits, avoidable ED visits, and inpatient admissions for ACIS participants in the year following enrollment in the program." See The Hilltop Institute UMBC, *Summary Report: Assistance in Community Integration Services (ACIS) Program Assessment, CY 2018 to CY 2021* (Sept. 15, 2023), available at [Summary Report: ACIS Program Assessment \(hilltopinstitute.org\)](https://www.hilltopinstitute.org/).

wealthiest Maryland counties is 82, whereas for people experiencing homelessness, the life expectancy is just 48 years of age. Conservatively, over 23,000 people in Maryland experienced homelessness in the given year.⁹ More than 2,000 residents in Baltimore City alone experience homelessness on any given day. The Maryland Interagency Council on Homelessness rightly recognizes that homelessness is caused, in large part, by the lack of affordable housing available to Maryland residents.¹⁰

HB 693 Will Prevent Homelessness

HB 693 makes necessary reforms to help ensure people regain housing and remain stably housed. Eviction prevention efforts as contemplated by this bill will help ensure people avoid homelessness by stably remaining in their homes. Maryland has the highest eviction filing rate in the nation at 48.1% compared to the national average of 7.3%. Key eviction prevention efforts in this bill are imperative as a part of the State's homelessness prevention efforts. Building upon an existing right for administrative judges to stay an eviction in extreme weather conditions, this bill will bar evictions in extreme weather or other dangerous conditions.

Additionally, this bill will increase the eviction filing fee surcharge from \$8 to \$93, thereby increasing the total cost of filing an eviction from \$15 to \$100. This will decrease eviction filings. Research on the impact of filing fee increases has demonstrated that eviction judgment rates decrease when filing rates decrease, and not vice versa. Importantly, the bill prohibits landlords from passing through the costs of the fee to tenants through redemption or adjudication. If the fees could be passed on to tenants, the purpose of the bill is eviscerated. There would no longer be any disincentive for the landlord to file an eviction action if the landlord or the court can pass that surcharge onto the tenant. Further, any additional fees on tenants, even "minor" increases, would have significant effects on renters and housing stability in Maryland.

As referenced above, reducing the allowable security deposit for renters in Maryland from two month's rent to one month's rent is a key component of the bill. Reducing the barrier of security deposits will enable people to secure housing in the first place. With the housing stock and income landscape as it is, the ending of potential homelessness or housing instability through this initiative is a critical aspect of renter reforms in Maryland.

Compliance with fair housing law is another vital aspect of ensuring that individuals and families can stay stably housed or aren't denied housing. The bill establishes an Office of Tenant Rights (OTR), which would, among other things, provide access to resources to help tenants understand and exercise their rights under Maryland law and promote freedom from discrimination or other unfair or illegal housing practices. Importantly, the OTR would implement fair housing testing to ensure compliance with fair housing laws and identify landlords out of compliance with state, federal and local laws and facilitate referral to appropriate law enforcement. People cannot stay stably and safely housed without compliance with and enforcement of fair housing laws. We applaud the Governor for recognizing the importance of a housing situation that is free from discrimination.

Only housing solves homelessness. We must remove barriers to safe and stable housing. HB 693 will make huge strides towards ensuring Marylanders obtain housing and remain stably housed. We strongly urge a favorable report.

⁹The 2020/2021 report from The Maryland Interagency Council on Homelessness (ICH) <https://dhcd.maryland.gov/HomelessServices/Documents/2021AnnualReport.pdf>. We believe, however, the number of people experiencing homelessness is closer to 30,000 in Maryland.

¹⁰ Id. at pg. 8, available at <https://dhcd.maryland.gov/HomelessServices/Documents/2021AnnualReport.pdf>.

Health Care for the Homeless is Maryland's leading provider of integrated health services and supportive housing for individuals and families experiencing homelessness.

We deliver medical care, mental health services, state-certified addiction treatment, dental care, social services, housing support services, and housing for over 10,000 Marylanders annually at sites in Baltimore City and Baltimore County.

Our Vision: Everyone is healthy and has a safe home in a just and respectful community.

Our Mission: We work to end homelessness through racially equitable health care, housing and advocacy in partnership with those of us who have experienced it.

For more information, visit www.hchmd.org.

HB0693 - Maryland Legal Aid - FAVORABLE.pdf

Uploaded by: Victoria Schultz

Position: FAV



**MARYLAND
LEGAL AID**

Advancing
**Human Rights and
Justice for All**

House Bill 0693

Renters' Rights and Stabilization Act of 2024

In the House Environment & Transportation and House Judiciary Committees

Hearing on February 20, 2024

Position: FAVORABLE

Thank you for the opportunity to testify in support of the Governor's Renters' Rights and Stabilization Act of 2024. I am Executive Director of Maryland Legal Aid (MLA), the statewide and largest provider of civil legal services in our State for low-income and vulnerable Marylanders. Maryland Legal Aid is also a member of the Renters United Maryland (RUM) Coalition. MLA urges your support for HB653 which, importantly, raises the filing fee for rent actions from the lowest in the nation to the national median, prohibits that increased fee from being passed on to a tenant in that eviction action, and directs that the funds generated by the increase fee be designated to fund urgently needed civil legal services and housing vouchers.

A Higher Filing Fee can help Lower Eviction Filings and Reduce Racial Disparities in Maryland.

Maryland has been an outlier in the nation for its incredibly high rate of eviction filings. No other state has even come close. (See [Princeton Eviction Lab data](#).) The General Assembly noted this problem, as well as the racial disparities in eviction filings, in 2021 when it passed groundbreaking legislation to establish the Access to Counsel in Evictions (ACE) program, a statewide right to counsel for low-income Marylanders facing eviction. It is an anti-poverty strategy and investment that pays long-term benefits by promoting housing stability and reducing the number and impact of evictions.

The bill before you, HB693, has the potential to further reduce the number of eviction filings and address racial disparities in evictions. A 2023 recent study by the Princeton Eviction Lab noted a correlation between low eviction filing fees and high eviction filing rates.

(<https://evictionlab.org/tenants-pay-for-cheap-evictions/>) The study noted that when filing fees are low, landlords tend to use the court to collect rents. Importantly, the authors also noted that "higher filing fees lead to lower eviction rates and that effects are largest in majority-Black neighborhoods." (ID.) This legislation takes a significant step to bring Maryland in line with the national median for filing fees and can help reduce Maryland's extremely high filings as well as racial disparities associated with eviction.

Any Increase in the Filing Fee Should Not be Paid for by Tenants Facing Eviction.

The Governor's bill, with its aim of promoting housing stability, prohibits the pass through of this filing fee increase to tenants. This prohibition is critical. Without it, it could thwart the purpose of the bill by potentially increasing evictions. For low-income tenants to avoid an eviction, they must be able to pay in order to stay. Passing on the increased fee would make it much harder to pay and stay and avoid an eviction once ordered, leading to greater housing instability.

Additionally, the Governor proposes that the filing fee increase should help promote affordability for tenants by dedicating half of the increased fee to the housing voucher program. We applaud this initiative given the urgent need for affordable housing. Allowing the cost of the increased filing fee to be paid by the tenant trying to avoid eviction moves undermines the underlying purpose of the bill.

Funding Holistic Legal Services is an Effective Anti-Poverty Tool to Achieve Social Equity that Saves Us All Money.

The revenue produced by the increased filing fee will provide ongoing funding to the Maryland Legal Services Corporation (MLSC) to ensure not only the continuation of the ground-breaking Access to Counsel in Evictions (ACE) Program but also meet the general civil legal needs of low-income and vulnerable Marylanders.

Helping our clients facing eviction is at the core of our work and has been throughout Maryland Legal Aid's more than 100-year existence. Providing counsel in evictions leads to better outcomes and a fairer, more efficient court process. Further, these matters can hold very high stakes for the tenants MLA represents who live in public or subsidized housing. When a person's subsidy is terminated, it often means that people have no recourse and are at high risk of homelessness. Ensuring that the ACE program has the necessary funding will also ensure that the program provides the long-term dividends for Marylanders that the legislature envisioned when it passed this ground-breaking law.

However, when a family faces eviction, there is generally other legal problems for which they also need our help. The legal issues our clients encounter are complex and intertwined. We see eviction clients who may also be struggling with a domestic violence or custody situation. Many clients facing eviction have not been able to access benefits to which they are entitled, like social security, SNAP, or unemployment benefits. We seek to handle our clients' legal needs

holistically so they can stabilize and ultimately thrive. Providing critical funding to MLSC ensures our clients can access legal help for all their legal needs.

We know that providing legal services to people and families living in poverty and disinvested communities is an effective anti-poverty strategy that will achieve greater social equity in our state and provide a return on investment. When families can resolve their legal issues, they are able to hold down jobs, focus on their family and participate in their communities. Maryland Legal Aid recently commissioned Community Services Analysis, LLC to do a study examining the social economic impact and return on investment (ROI) on the legal services it provided. (*Maryland Legal Aid Social Economic Impact and Return on Investment Report, 2023.*) The report reaffirmed earlier ROI studies that show for every \$1 invested in civil legal aid, there is a \$6 return in social economic benefit.

Ensuring there are Advocates to Meet Our Clients' Urgent Needs: The Ongoing Staffing Challenge

The Governor's bill will also help ensure that there are legal advocates available and ready to provide critical legal help when and where it is needed. However, MLSC grantees are, on average, the lowest paid publicly funded, public interest lawyers in our state, hampering efforts to attract and retain lawyers and advocates.

Nonprofit legal services providers, like Maryland Legal Aid and MLSC's other grantees, have not been able to keep pace with other peer organizations in the state such as the Office of the Public Defender or the Office of the Attorney General.

Parity with these other publicly funded, public interest lawyers is essential to assure MLSC grantees, like ours, can meet the legal needs of our fellow Marylanders. We fully support the salary increases our state partners have and will receive; our client populations overlap significantly, and our work is complementary. But that means there should be consistent, equitable access to representation when our clients, sadly, move between their criminal, civil, and other challenges.

Parity also means equity in hiring. Low pay means that talented advocates are excluded because they can't afford to do this important work, whether because they may have student loan debt, lack inter-generational wealth, or don't have a second income in their household. That also can mean that our lawyers don't look like our communities, which harms our ability to connect with and represent them. This bill that dedicates half of the filing fee increase funding to MLSC will help alleviate this gap and ensure Marylanders receive the legal assistance they need.

We urge the Committee to report HB 653 favorably to ensure that Maryland takes this next critical step to protect tenants' rights, ensure the continuation of the ACE program and other vital civil legal services low-income Marylanders need and deserve, and reduce the level of evictions that too often fall disproportionately on Black Marylanders in our state.

Respectfully submitted,

Vicki Schultz

Executive Director, Maryland Legal Aid

vschultz@mdlabor.org

443.850.6605 (cell)

GHHI Testimony - HB693.pdf

Uploaded by: Wesley Stewart

Position: FAV



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February 16, 2024

Delegate Marc Korman, Chair
House Environment & Transportation Committee
House Office Building, Room 251
Annapolis, Maryland 21401

Delegate Luke Clippinger, Chair
House Judiciary Committee
House Office Building, Room 101
Annapolis, Maryland 21401

Re: **FAVORABLE** – HB693 – Renters’ Rights and Stabilization Act of 2024

Dear Chairmen Korman and Clippinger and Members of the Committee:

On behalf of the Green & Healthy Homes Initiative (GHHI), I write in support of HB693. I serve as Chair of the Maryland Lead Poisoning Prevention Commission and as a member of the EPA Children’s Health Protection Advisory Committee, the CDC Lead Exposure and Prevention Advisory Committee and the Maryland Green and Healthy Homes Task Force. GHHI is dedicated to addressing the social determinants of health and advancing racial and health equity through the creation of healthy, lead safe and energy efficient homes. GHHI has been at the frontline of lead poisoning prevention and holistic healthy housing for over three decades.

Over its 30-year history, GHHI has developed the holistic energy efficiency, health and housing service delivery model that is implemented in our nationally recognized, Maryland-based direct service program. The model was adopted by the U.S. Department of Housing and Urban Development and is currently being advanced in partner jurisdictions nationally. In addition, GHHI helped to elevate Maryland as a national leader in healthy housing by helping reduce childhood lead poisoning by 99% in the state and helping design over 49 pieces of healthy housing legislation that became law in the State of Maryland and local jurisdictions. By delivering a standard of excellence, GHHI aims to eradicate the negative health impacts of unhealthy housing and unjust policies to ensure better health, economic, and social outcomes for children, seniors and families with an emphasis on Black and Brown low-income communities. GHHI’s holistic intervention approach was recently cited by EPA and HUD as a model for effective coordination of federal healthy homes and weatherization programs and resources.



We are deeply committed in our mission to advance racial and health equity, economic mobility and climate resiliency through healthy and energy efficient low-income homes. GHHI represents tenants across the state for the repair of unsafe housing conditions and provides rental property owner compliance assistance to assist owners in understating their responsibilities under various Maryland laws. By helping improve rental housing affordability and standards, HB693 will play an important role advancing housing stability in Maryland.

HB693's provision setting the maximum allowable security deposit to be one month's rent is critical to addressing both the barriers to tenants obtaining safe housing and their ability to remain in their rental homes. Rental housing affordability is a significant barrier for low income households. Increased security deposits and monthly rental rates are placing financial stress on tenants and contributing to higher tenant eviction rates. Requiring double or greater amounts for security deposits means that many tenants cannot afford the basic requirements to be approved for a rental property as part of the application process. In addition, by requiring double security deposits, tenants are often using up all of their available income and savings to pay the high security deposit cost and starting out their tenancy under financial duress. In other cases, tenants are borrowing funds to pay the double security deposit and increasing their financial debts – placing them in jeopardy to meet their rental obligations in future months. Lastly, exorbitant security deposit requirements also impedes tenant's mobility to move to other areas and counties to seek employment, educational opportunities and better housing for themselves and their families. HB693 is an important tool to address these barriers.

Quality rental housing that is lead certified in accordance with the state law and that meets basic local housing code should not be priced out of reach of low and moderate Maryland residents by requirement of excessive security deposits payments. HB693 is needed to set reasonable security deposit limits that do not force tenants to have to settle for unsafe and poor quality rental housing that places themselves and their families at risk of lead poisoning, household injury, mold, poor indoor air quality and other hazardous conditions.

We applaud the Maryland Department of Housing and Community Development for advocating for the establishment of the Office of Tenant's Rights within the Department. This Office will play an important role in helping to improve housing standards in rental housing, improving tenant rights education and rental property owner compliance assistance on rights and responsibilities, and supporting tenant's rights on key issues and initiatives related to rental housing.

Baltimore City has long maintained a right of first refusal in its local law and HB693 will place into state statute that important right of first refusal for tenants to be provide the opportunity to purchase their rental home. The right of first refusal will increase homeownership opportunities while improving housing stability for tenants who are not forced to permanently relocate.

While we support efforts to reduce the abuse and overuse of the District Court rent court process through serial eviction filings by rental property owners that add repeated monthly courts costs to tenant's ledgers and contribute to higher tenant eviction rates, it is important that the increased court filing fees are not passed on to tenants. By increasing the court filing fees for eviction proceedings with the intention to deter rental property owners from habitually filing Failure To Pay Rent actions immediately each month, there remains a risk, however, that tenants could be placed at greater financial peril through increased court costs if owners are permitted to pass those fees onto the tenant each month. The increased filing fee provisions of HB693 must only be passed if strong protections and practices are also included in the Bill that prevent tenants from bearing the financial burden of these increased court costs. Otherwise, greater tenant financial instability and higher tenant eviction rates will surely be the consequence.

HB693 is reasonable legislation that is needed to cap security deposit amounts and help maintain a stock of affordable rental housing. HB693 will also improve tenant mobility and ensure greater access to safe rental housing for low and moderate income residents in Maryland. We ask for a Favorable Report on HB693.

Respectfully Submitted,



Ruth Ann Norton
President and CEO

HB693 Written Testimony 2024.pdf

Uploaded by: Zoe Gallagher

Position: FAV



HB693 Renters' Rights and Stabilization Act of 2024

Position: Favorable

2/16/2024

The Honorable Delegate Korman, Chair
Environment and Transportation Committee
Room 251
House Office Building
Annapolis, MD 21401

CC: Members of the House Environment and Transportation Committee

Economic Action Maryland (formerly the Maryland Consumer Rights Coalition) is a people-centered movement to expand economic rights, housing justice, and community reinvestment for working families, low-income communities, and communities of color. Economic Action Maryland provides direct assistance today while passing legislation and regulations to create systemic change in the future.

Economic Action's Tenant Advocacy Program works to ensure Maryland renters are living in safe and healthy housing. Our services include assistance with landlord-tenant issues and tenants' rights education. In 2023, we assisted nearly 800 clients across every county in Maryland, over half of which were facing eviction. As a representative of an organization that works closely with tenant advocacy, I am writing to urge your favorable support for the Renters' Rights and Stabilization Act of 2024, a crucial piece of legislation that addresses various issues within the rental housing industry.

Under current Maryland law, the filing fee for a landlord seeking eviction is \$8, meaning, these days, it is cheaper to file for eviction than to get a meal at McDonalds. This makes it easy for a landlord to file for eviction without a second thought. This bill would increase surcharges for certain landlord-tenant cases, which would discourage frivolous or unjustified legal actions. By prohibiting the assignment of the surcharge against a tenant, the legislation promotes fairness and protects tenants from additional financial burdens.

Even out of the context of eviction, one major reason tenants reach out to our office is to learn about their rights. After moving out of a home in Prince George's County that I rented for three years, I received a letter informing me that, not only would I not be receiving any of my security deposit back, but that they were also charging me an additional \$1,100. The itemized list of charges included several services that were never mentioned in my lease agreement. As someone familiar with tenant rights, I knew that a majority of these charges were fraudulent and thus disputed them. However, according to Michael Donnelly, our tenant advocacy coordinator and legal advisor, it is a common occurrence for landlords to overcharge tenants on security deposits as a way to pay for renovations on the tenant's dime. Most people will pay these charges because they do not know their rights.

An unscrupulous minority of landlords and property management companies participate in unethical and predatory practices all under the assumption that tenants will not fight back. Establishing the Office of Tenant Rights and publishing a Bill of Tenant Rights is a crucial step toward breaking these cycles of predation. These measures empower tenants with knowledge of their rights and provide a centralized



resource for dispute resolution. Requiring the inclusion of the Bill of Rights in residential leases encourages transparency and accountability.

Another benefit of this bill is that it makes securing housing more affordable through establishing the maximum cost of a security deposit as one month's rent. Moving is already an incredibly costly endeavor, making it difficult for families to leave unsafe or inadequate housing environments. Requiring that the cost of a security deposit does not exceed one month's rent establishes consistency in the rental housing market and allows families to both plan financially and have more options when it comes to finding a new place to live.

For these reasons, I urge your favorable report on HB693.

Thank you for your time and attention to this matter.

Sincerely,
Zoe Gallagher, Policy Associate

AOBA - HB693 - FWA.pdf

Uploaded by: Brian Anleu

Position: FWA



Bill No: House Bill 693 - Renters' Rights and Stabilization Act of 2024

Committee: Environment and Transportation

Date: February 20, 2024

Position: Favorable with Amendments

The Apartment and Office Building Association of Metropolitan Washington (AOBA). 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.

AOBA understands the desire to keep tenants housed and expand housing options available to tenants by reducing the security deposit that a housing provider can charge. However, raising the eviction filing fee, making the fee unrecoverable, and limiting security deposits to one month's rent is not the way to accomplish these goals.

As AOBA previously shared with this Committee, the cost of evicting tenants and turning over units is already tremendously high. For a detailed breakdown of these costs, please see the attached explainer. Housing providers are partly able to offset these costs by withholding some or all of the security deposit. Common reasons that a housing provider may withhold a security deposit include unpaid rent, damages due breach of lease, and damage that exceeds normal wear and tear to the leased premises. In many cases, these costs will exceed even the current security deposit amount, which raises the cost of housing for all tenants.

Without the additional security of a second month's rent, housing providers will be less willing to rent to riskier tenants. Examples of riskier tenants may include those with spotty or poor rental histories and those with poor or no credit history. A one-month limit for security deposits will make it that much more difficult for these tenants to find housing. Rather than passing this limitation, the Committee should amend the bill to establish a State Security Deposit Assistance Program similar to the one established by the City of Baltimore to help income-eligible tenants.

Regarding the filing fee, AOBA supports a reasonable fee increase that is fully recoverable. Examples of reasonable filing fees include those in Virginia and Delaware, which range from \$46-\$56, as well as those proposed by Chairman Luke Clippinger in House Bill 693 in 2021.

Lastly, AOBA is concerned about the language that requires an administrative judge to stay a warrant of restitution for certain weather conditions or any state of emergency declared under Section 14-107 of the Public Safety Article. Administrative judges already have considerable authority to stay warrants of restitution, and they routinely use this authority. AOBA urges the Committee not to unnecessarily limit the judge's discretion on when to use this authority.

For more information, please contact Brian Anleu, AOBA Vice President of Government Affairs, at banleu@aoba-metro.org

Evictions Are Bad for Business

Evictions are expensive for housing providers to pursue and represent a sunken cost that cannot be recovered. There is no economic incentive for housing providers to file for repossession of an apartment except as a last resort when a lease has been breached, most often for nonpayment of rent, or for jeopardizing the safety or the quality of life of others at the apartment community.

The Built-In Financial Disincentive to Pursuing Eviction

- **Turnover Costs:** *As a general rule of thumb, the cost of turning over a unit is roughly 2-3 month's rent on top of the rent lost during the legal process.* This is attributable to costs for cleaning, repairs, painting, carpet replacement, marketing, new tenant screening and other similar administrative items.
- **Rent Loss During Legal Process:** As of November 2022, the legal process was running approximately 155-222 days in Montgomery County and about 146-190 days in Prince George's County. ***This equates to around 6 months' lost rental income.***
- **Legal Costs:** Legal costs can vary significantly based on the case, but include filing fees, service of warrants and summonses, and attorneys' costs. The low-end average cost of an eviction filing runs around \$500, but can easily run into the thousands of dollars in a contested case.
- **Time off Market:** Notably, the industry standard 2-3 month's rent cost to turnover a unit assumes the immediate turnover of that unit. A housing provider's losses can continue to accrue each month that a unit sits vacant. ***Currently, it is running about 30-60 days to relet a unit once possession has been gained, resulting in an additional 1-2 months' lost rental income.***

Totaled, a single eviction costs the housing provider in excess of \$20,000. Add legal costs into the mix and that means that a housing provider is deprived of approximately 85% of their annual income associated with a particular asset when they are forced to pursue an eviction. (Note: Legal sources cite that *fewer than one in five cases see housing providers collect any portion of the debt owed by the tenant*).

Example

Standard 2-bedroom unit located in Montgomery County leasing at a market average rate of \$2,181 per month.

\$5,453	+	\$13,086	+	\$3,272	=	\$21,811
Turnover costs (Monthly rent X 2.5)		Rent loss during legal process (Monthly rent X 6)		Time off market (Monthly rent X 1.5)		

CONTACT

Brian Anleu | 240.381.0494 | banleu@aoba-metro.org

Ryan Washington | 202.770.7713 | rWASHINGTON@aoba-metro.org



APARTMENT AND OFFICE
BUILDING ASSOCIATION
OF METROPOLITAN
WASHINGTON

HB 693 Renters' Rights Stabilization Act_HABC Tes

Uploaded by: Crystal Hypolite

Position: FWA

Robin Carter
Chairperson, Board of Commissioners
Janet Abrahams
President | Chief Executive Officer



February 20, 2024

TO: Members of the Environmental and Transportation Committee
FROM: Housing Authority of Baltimore City
RE: House Bill 693 Renters' Rights and Stabilization Act of 2024
POSITION: Support with Amendments

Chair Korman, Vice-Chair Boyce, and Members of the Committee, please be advised that the Housing Authority of Baltimore City (HABC) supports House Bill 693 - Renters' Rights and Stabilization Act of 2024. This bill enhances protections for renters, strengthens the enforcement of existing laws and reduces the impact of evictions on tenants. HABC fully supports the bill's intention of keeping families stably housed and would like to offer friendly amendments.

HABC is the largest public housing authority in the State of Maryland and the fifth largest in the country. The agency provides federally funded housing assistance and related services to over 20,000 low-income households in Baltimore City through its Public Housing and Housing Choice Voucher programs. With over 57,000 additional households on our waiting lists for both programs combined, we understand the significant need for affordable housing in the state and are pleased that this administration is making housing a top priority. HABC recommends the amendments discussed below to provide consideration for the unique position of public housing authorities (PHAs), which are responsible for providing safe and affordable housing to vulnerable populations while ensuring that federal requirements are met. HB 693 proposes to increase the current filing fee surcharge for summary ejectment, tenant holding over and breach of lease cases from \$8.00 to \$93.00, thereby increasing the total cost of filing from \$15.00 to \$100.00.

It is always HABC's goal to work with households who are struggling to pay rent and to provide them with resources and opportunities to pay overdue balances, and litigation is used only as a last resort to address rent arrearages. In addition to the 10-day notice that the State requires landlords to send to tenants prior to initiating a failure to pay rent action, HABC and other PHAs are currently required by the U.S. Department of Housing and Urban Development (HUD) to provide a 30-day notice for lease termination actions. This notice specifies the amount that the tenant owed and for what period and informs the household of their tenant rights under HUD regulations, such as the right to reply to the notice, examine the documents, file a grievance and seek protection under the Violence Against Women Act (VAWA).

HABC takes steps to work with residents who have overdue rent balances to enter into repayment agreements for payment of their back rent. We also engage in outreach campaigns to encourage residents to pay their rent and/or seek eviction prevention assistance. Despite efforts to collect back rent outside of court, HABC still has many residents who owe significant rent arrears that have accumulated over the years, particularly during the Covid-19 pandemic. As a result, HABC's current backlog of tenant rent owed is over \$3.8 million.

Unfortunately, some residents repeatedly do not pay their rent until after the failure to pay rent case is filed in court, resulting in multiple rent court filings against the same households during the year. The cost of filing fees cannot be recouped if the resident pays before trial. HABC sends approximately 2,200 30-day notices to terminate for breach of lease every month. On average, about 1,300 make a payment or enter

Housing Authority of Baltimore City | 417 East Fayette Street, Baltimore, MD 21202

410.396.3232 www.HABC.org @BmoreHabc

into a repayment agreement after HABC files a failure to pay rent action in court.

Adding a surcharge to file a summary ejectment case in rent court would place a harsh financial burden on HABC. The proposed surcharge of up to \$93.00 on 900 rent cases monthly, for instance, would add another \$83,700 to file those cases. In addition to failure to pay rent cases, HABC also files breach of lease actions due to lease violations, including criminal activity. The surcharge would be a crushing burden on HABC and would severely impact the agency's ability to serve our residents.

Market rate landlords can simply spread the additional filing fee across all residents by making small rent increases. HABC and other affordable housing providers cannot raise rents since regulations governing such programs set strict rent limits. Further, PHAs are mandated by federal regulations to ensure that residents comply with their leases, which requires the filing of a court action for lease violations when alternative measures are not possible. Additionally, HABC cannot choose not to renew a lease at the end of its term for residents who repeatedly pay late or fail to pay. The leases for public housing residents automatically renew unless terminated through a court action.

HABC and other housing authorities in Maryland would be adversely affected if HB 693 were to pass because this surcharge would have to be paid from each PHA's allocation of federal operating funds, which are granted by HUD to operate the public housing program. Every dollar paid for the fee would be a dollar less that could be used to house one of the thousands of residents on our wait list or on the lengthy wait lists all across the state.

HABC respectfully requests an amendment to exempt public housing authorities from this surcharge increase. If such an exemption is not made, HABC respectfully requests a significant reduction in the surcharge increase for public housing authorities.

For the reasons stated above, HABC respectfully requests a favorable report on HB 693 with amendments.

HABC is authorized to state that the following Maryland PHAs join in HABC's report on this bill:

- **Housing Authority of the City of Annapolis**
- **Housing Authority of the City of Hagerstown**
- **Housing Commission of Anne Arundel County**
- **Howard County Housing Commission**

HB 693_Supportw.Amend_.pdf

Uploaded by: David Prater

Position: FWA

Environment and Transportation
February 20, 2024
HB 693 – Renters’ Rights and Stabilization Act of 2024
Position: Support with Amendments

The undersigned individuals and organizations **support with amendments** HB 693. Specifically, we strongly recommend amendments to strike language from HB 693 that would amend the Statewide Voucher Program (HB 826) signed into law in 2023. We have discussed our concerns with the Governor’s Office and understand their intent to submit amendments to remove language amending the Statewide Voucher Program from HB 693. We support the other provisions of the bill without amendment.

As we explained in our testimony last year in support of the Statewide Voucher Bill (HB 826):

People with disabilities are more likely than their non-disabled peers to experience unemployment and poverty,¹ and nationwide, about 4.1 million people with disabilities spend more than half of their income on rent.² In Maryland, more than half of all people with disabilities had annual household incomes below \$15,000 in 2016.³ While many people with disabilities receive monthly Supplemental Security Income (SSI) benefits, SSI payments alone are usually not enough to afford market-rate housing. In 2023, the average monthly rent of a one-bedroom apartment in Maryland was \$1,111, while monthly SSI payments were just \$841.⁴ Consequently, many people with disabilities are forced into homelessness, nursing homes, State hospitals, emergency rooms, and Maryland’s jails and prisons.

There is a tremendous need for rental housing assistance across various constituencies and we appreciate the willingness of the Governor’s Office to consider how to respond effectively to these needs, including the disability community.

Respectfully submitted,

Dave Drezner, The Freedom Center
Katie Farinholt, NAMI
Gail Goodwin, Shared Support Maryland
Floyd Hartley, Consumer Advocates for Rider Services (CARS)
Chris Kelter, Accessible Resources for Independence, Inc.
Ande Kolp, The Arc of Maryland

¹ Debra L. Brucker et al., *Health and Health Services Access Among Adults with Disabilities Who Receive Federal Housing Assistance*, HOUSING POLICY DEBATE, Aug. 29, 2017, at 1.

² About 4.1 million people with disabilities nationwide pay more than half of their income on rent. CENTER ON BUDGET AND POLICY PRIORITIES, UNITED STATES FEDERAL RENTAL ASSISTANCE FACT SHEET (2021), <https://www.cbpp.org/sites/default/files/atoms/files/12-10-19hou-factsheet-us.pdf>.

³ MD. DEP’T OF HEALTH, BRFSS BRIEF: DISABILITY AND HEALTH AMONG MARYLAND ADULTS (August 2018), https://health.maryland.gov/bhm/DHIP/Documents/BRFSS_BRIEF_2018-08_Disability.pdf.

⁴ TECHNICAL ASSISTANCE COLLABORATIVE, PRICED OUT: THE HOUSING CRISIS FOR PEOPLE WITH DISABILITIES (2022), <http://www.tacinc.org/knowledge-resources/priced-out-v2/>.

Rachel London, Maryland Developmental Disabilities Council
Shannon Minnick, Independence Now
Ronza Othman, National Federation of the Blind Maryland
David Prater, Disability Rights Maryland
Katie Rouse, On Our Own of Maryland, Inc.
Mat Rice, People on the Go
Sandra Sermons, American Council of the Blind of Maryland

HB 693 - MMHA - Favorable with Amendments.pdf

Uploaded by: Grason Wiggins

Position: FWA



House Bill 693

Committee: Environment & Transportation

Date: February 20, 2023

Position: Favorable with Amendments

This testimony is offered on behalf of the Maryland Multi-Housing Association (MMHA). MMHA is a professional trade association established in 1996, whose members consist of owners and managers of more than 210,000 rental properties that house more than 600,000 residents of the State of Maryland. MMHA also represents over 250 associate member companies who supply goods and services to the multi-housing industry.

Among other issues, House Bill 693 (HB 693) wrongfully renders court filing fees unrecoverable, creates an unworkable right of first refusal policy, potentially exacerbates homelessness, and creates the potential for untenable delays in the rent court process. For these reasons, MMHA strongly urges the Committee to amend HB 693 to protect access to the civil justice system and avoid compounding the State's affordable housing crisis.

By making court costs unrecoverable, HB 693 is designed and intended to price property owners out of accessing the civil justice system. In fact, the stated intent of HB 693's filing fee increase is absolutely antithetical to the concept of justice. Court costs have never been weaponized by the Maryland General Assembly against an industry, and **MMHA is unaware of any state that makes court costs unrecoverable.**

MMHA is supportive of a reasonable filing fee increase that is *fully* recoverable. As an example, MMHA respectfully requests that the committee review Virginia's and Delaware's filing fees of \$46-\$56 (summons for unlawful detainer) and Chairman Luke Clippinger's legislation from 2021, which allowed the increased fee to be recovered. See [link](#). To be clear, if filing fees are rendered unrecoverable, evictions will increase.

Maryland has a duty to ensure every resident has access to available services and resources. As such, MMHA is concerned that HB 693 creates a division within the Department of Housing and Community Development (DHCD) that will provide assistance to tenants, but not to housing providers. In fact, HB 693 explicitly excludes housing providers from accessing certain services and information, see *page 6, line 10*. For this reason, MMHA strongly encourages an amendment to HB 693 that creates an Office of Housing that will provide services and resources to both tenants and housing providers.

MMHA is concerned that HB 693 will unintentionally increase homelessness by reducing the current security deposit cap from two months to one month. For example, without the additional security of a second month, many housing providers will be unwilling to rent to tenants with a history of breaching their lease. Additionally, tenants that may have been offered an option to rent at a lower price with a two month security deposit that would have been returned, may instead face a higher rent price to cover any potential damage to a rental unit.

Grason Wiggins, MMHA Senior Manager of Government Affairs, 912.687.5745



Maryland should look to other jurisdictions to understand the unintended impact that reducing the security deposit cap can have on homelessness. For example, the City of Seattle limited security deposits to one month on January 15, 2017, and in the following year, homelessness increased by 4%. Maryland simply cannot afford to adopt a policy that has the potential to immediately increase homelessness within the State.

Under current law, the administrative judge of any district already has the authority to stay a warrant of restitution for residential property and judges consistently utilize that authority. As such, HB 693 arbitrarily extends timeframes in the rent court process and unnecessarily creates mandatory stays for certain weather conditions.

As drafted, HB 693 creates mandatory delays for “any” state of emergency declared under 14-107 of the Public Safety Article. That exceptionally broad standard that will create untenable delays. For example, administrative judges across the state would have been required to stay warrants of restitution due to the state of emergency declared for opioids under Title 14 of the Public Safety Article. *See [link](#).*

MMHA strongly urges the Committee to amend HB 693 to protect access to the civil justice system and avoid compounding the State’s affordable housing crisis. For these reasons, MMHA stands ready to work with the Committee on amendments to HB 693.

MLTA HB 0693 written testimony seeking favorable r

Uploaded by: Jeffrey Thompson

Position: FWA



1783 Forest Drive, Suite 305, Annapolis, MD 21401 | (443) 620-4408 ph. | (443) 458-9437 fax

To: Honorable Chair and Members of the Environment and Transportation Committee
From: MLTA Legislative Committee
Date: March 16, 2024 [Hearing date: March 20, 2024]
Subject: **HB 0693** – Environment and Transportation Committee
Position: **Favorable With Amendments**

The Maryland Land Title Association (MLTA) asks that you return a **favorable with amendments recommendation for House Bill 693** – Renters' Rights and Stabilization Act of 2024.

The MLTA, while acknowledging that the Bill has laudable objectives initially opposed the Bill, particularly the addition of Section 8-119 to the Real Property Code of Maryland. This section, referred to as the tenants right of first refusal, in its present form could adversely affect the title held by owners of real estate, cause delays in the settlement process and increase risks to title insurers, leading to increased premiums for title insurance.

The MLTA has met with the Governor's office and it is our understanding that the MLTA's concerns have been or are being addressed in a revised version of the bill before this Committee. These forthcoming amendments have allowed the MLTA to change its initial position on HB 693 from unfavorable to favorable with amendments. Below, however, are the MLTA's concerns with the legislation presently before you.

By way of background, interests in real property are conveyed by deeds that are recorded in the county land records in the county in which the real property is located. When real property is sold, our industry is charged with the responsibility of reviewing the public records such as land records, tax records, and court records to determine that owners and lenders have good, insurable title.

The Bill as presently introduced, has laudable objectives, but it creates myriad problems for the title industry as (i) most residential leases, being under 7 years, are not public record and (ii) it establishes no third-party entity from which title professionals can verify compliance with the Bill's requirements. It instead, requires that title insurers rely upon an affidavit from an interested party, namely the seller/landlord, to state that the law has been complied with and that the tenants did not express an interest in exercising their right of first refusal. As non-compliance with the law may delay settlement or prevent settlement from happening, a non-complying seller has a financial incentive to be less than forthcoming in their affidavit to us; our industry would have no means to verify the veracity of the seller's/landlord's statement.

Non-compliance with the law could result in an aggrieved tenant being able to unwind a real estate transaction. This would obviously harm unknowing purchasers, but it also harms title insurers and lenders that have accepted liability and expended money through the closing process. Additionally, should a tenant challenge title because the landlord failed to comply with the law, the title insurer under its title insurance policy has a duty to defend the unknowing purchaser.

Because our industry is unable to independently verify compliance with the law and failure to comply with the law would be exorbitantly costly to our industry (having to pay for lawsuits and possible loss of title), our industry most likely would take exception to the law in its title policies. When a title policy has an exception that means that matter that is excepted to will not be covered by the title policy. This would result in home purchasers having to come up with tens of thousands of dollars to defend the title to their homes. Further, the exception also would appear in the lender's title insurance policy and most lender's will not

accept an exception in the policy that could up end their loan and will not loan money under those circumstances. Meaning that if the purchasers is financing their home purchase, they would not be able to obtain financing.

It is important to note that the District of Columbia, after implementing a far more rigorous program for over 30 years, chose to substantially amend its tenant opportunity laws with respect to single family dwellings and, in the process removed the ability to challenge title or the title professional involved once a transaction is complete.

The Maryland Land Title Association is unable to support the bill in its present form, but has offered amendments that, like the law passed by the District of Columbia, would allow tenants a right of first refusal without non-compliance affecting the orderly transfer of title.

The MLTA has therefore changed its stance on HB 0693 and respectfully request that you return a **favorable with amendments recommendation for House Bill 0693.**

www.mdlta.org

HB693_HSUS_FWA.pdf

Uploaded by: Jennifer Bevan-Dangel

Position: FWA



February 20, 2024
Environment and Transportation Committee
HB 693
Renters' Rights and Stabilization Act of 2024
FAVORABLE WITH AMENDMENTS

On behalf of the Humane Society of the United States (HSUS) and our Maryland supporters, we write in strong support of House Bill 693, which will enhance protections for Marylanders who are facing housing insecurity. We encourage the committee to also consider provisions that would protect the human/pet bond in relation to housing security.

In Maryland, 33% of households rent their homes¹ and approximately 16 percent of renters are behind on their rent². According to the National Low Income Housing Coalition (NLIHC), a person earning minimum wage would have to work 82 hours each week to afford a modest, 1-bedroom rental home at fair market rent in Maryland.³

We applaud and strongly support this legislation because housing security is essential for keeping people and pets together. The recent surge in pet surrenders overwhelming our shelters is due in large part to the housing crisis facing Marylanders. This connection is documented in a recent Baltimore Banner article, which states: “trouble finding affordable housing that allows pets is now the most common reason animals are surrendered at Baltimore-area shelters.”⁴

Throughout the COVID-19 pandemic, in the face of an unprecedented public health emergency, our nation took immediate action to keep families stably housed by swiftly enacting eviction moratoriums and funding emergency rental assistance—critical tools that helped keep families and their pets at home. Likewise, many organizations, including HSUS, helped by supporting vulnerable communities and delivering vital services to pet owners including affordable, accessible veterinary care, supplying pet food and resources, and by advocating for pet-inclusive subsidized housing because a deep connection with pets transcends boundaries of socio-economics, race, ethnicity and geography, and no one should be denied the opportunity to experience the benefits, joy and comfort that come from the human-animal bond. Despite assistance at all levels of government, many renters find difficulty securing housing suitable for their entire family.

¹ “Maryland.” National Low Income Housing Coalition. Accessed January 31, 2022.
<https://reports.nlihc.org/oor/maryland>.

² “ERASE Tenant Protections Resource Page”. NLIHC Tenant Protections Database. February 1, 2022.

³ “Out of Reach: Maryland.” National Low Income Housing Coalition, February 1, 2022.
<https://reports.nlihc.org/sites/default/files/oor/files/reports/state/md-2021-oor.pdf>.

⁴ [How bad is Maryland’s housing crisis? Check the animal shelters - The Baltimore Banner](#); January 20, 2024



**THE HUMANE SOCIETY
OF THE UNITED STATES**

A record number of households and nearly three-fourths of renters have pets, and while a majority of Americans consider their pets to be family members many tenants say they have trouble finding “pet friendly” properties. One explanation found by a recent industry report showed that although 76 percent of owner/operators say their properties are pet-friendly, 72 percent of residents surveyed said that pet-friendly housing is hard to find, and 59 percent say it’s too expensive.⁵

The scarcity in properties that welcome all pets is often associated with policies that include arbitrary restrictions such as breed, weight and number limits that create unnecessary barriers for pet-owning tenants. To the detriment of many owner/operators, this disconnection is a hindrance and leaves money on the table as vacant units in pet-inclusive properties fill faster than those in non-pet-friendly housing and on average, residents stay 21 percent longer. The study found additional financial benefits as well, including that fewer than 10 percent of all pets cause damages of any kind and the average pet deposit will cover any damage that is caused.

Stable, secure rental housing is critical for our families and our companion animals. We applaud the Governor’s leadership on this important issue and encourage this committee to also consider language that would expand the availability of pet-friendly housing for renters. Pet-inclusive properties are not only good for tenants, but they’re good for housing providers. We thank the committee for consideration of this important legislation and urge your support of HB 693, and are happy to work with the committee on amendments to ensure all our family members can find and retain suitable housing.

⁵ “2021 Pet-Inclusive Housing Report.” Michelson Found Animals and HARBI. Accessed January 31, 2022. <https://www.foundanimals.org/pets-and-housing/2021-pet-inclusive-housing-report/>.

*For more information contact Jennifer Bevan-Dangel, Maryland State Director
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MLTA HB 0693 written testimony seeking favorable r

Uploaded by: Mark Glazer

Position: FWA



1783 Forest Drive, Suite 305, Annapolis, MD 21401 | (443) 620-4408 ph. | (443) 458-9437 fax

To: Honorable Chair and Members of the Environment and Transportation Committee

From: MLTA Legislative Committee

Date: February 16, 2024 [Hearing date: February 20, 2024]

Subject: **HB 0693** – Renters Rights and Stabilization Act of 2024

Position: **Favorable With Amendments**

The Maryland Land Title Association (MLTA) asks that you return a **favorable with amendments recommendation for House Bill 0693** – Renters' Rights and Stabilization Act of 2024.

The MLTA, while acknowledging that the Bill has laudable objectives initially opposed the Bill, particularly the addition of Section 8-119 to the Real Property Code of Maryland. This section, referred to as the tenants right of first refusal, in its present form could adversely affect the title held by owners of real estate, cause delays in the settlement process and increase risks to title insurers, leading to increased premiums for title insurance.

The MLTA has met with the Governor's office and it is our understanding that the MLTA's concerns have been or are being addressed in a revised version of the bill before this Committee. These forthcoming amendments have allowed the MLTA to change its initial position on HB 0693 from unfavorable to favorable with amendments. Below, however, are the MLTA's concerns with the legislation presently before you.

By way of background, interests in real property are conveyed by deeds that are recorded in the county land records in the county in which the real property is located. When real property is sold, our industry is charged with the responsibility of reviewing the public records such as land records, tax records, and court records to determine that owners and lenders have good, insurable title.

The Bill as presently introduced, has laudable objectives, but it creates myriad problems for the title industry as (i) most residential leases, being under 7 years, are not public record and (ii) it establishes no third-party entity from which title professionals can verify compliance with the Bill's requirements. It instead, requires that title insurers rely upon an affidavit from an interested party, namely the seller/landlord, to state that the law has been complied with and that the tenants did not express an interest in exercising their right of first refusal. As non-compliance with the law may delay settlement or prevent settlement from happening, a non-complying seller has a financial incentive to be less than forthcoming in their affidavit to us; our industry would have no means to verify the veracity of the seller's/landlord's statement.

Non-compliance with the law could result in an aggrieved tenant being able to unwind a real estate transaction. This would obviously harm unknowing purchasers, but it also harms title insurers and lenders that have accepted liability and expended money through the closing process. Additionally, should a tenant challenge title because the landlord failed to comply with the law, the title insurer under its title insurance policy has a duty to defend the unknowing purchaser.

Because our industry is unable to independently verify compliance with the law and failure to comply with the law would be exorbitantly costly to our industry (having to pay for lawsuits and possible loss of title), our industry most likely would take exception to the law in its title policies. When a title policy has an exception that means that matter that is excepted to will not be covered

by the title policy. This would result in home purchasers having to come up with tens of thousands of dollars to defend the title to their homes. Further, the exception also would appear in the lender's title insurance policy and most lender's will not accept an exception in the policy that could up end their loan and will not loan money under those circumstances. Meaning that if the purchasers is financing their home purchase, they would not be able to obtain financing.

It is important to note that the District of Columbia, after implementing a far more rigorous program for over 30 years, chose to substantially amend its tenant opportunity laws with respect to single family dwellings and, in the process removed the ability to challenge title or the title professional involved once a transaction is complete.

The Maryland Land Title Association is unable to support the bill in its present form, but has offered amendments that, like the law passed by the District of Columbia, would allow tenants a right of first refusal without non-compliance affecting the orderly transfer of title.

The MLTA has therefore changed its stance on HB 0693 and respectfully request that you return a **favorable with amendments recommendation for House Bill 0693**.

HB 693_realtors_fwa.pdf

Uploaded by: William Castelli

Position: FWA



House Bill 693 – Renter’s Rights and Stabilization Act of 2024

Position: Favorable with Amendments

Maryland REALTORS® supports HB 693 with important changes to the tenant right of first refusal, the eviction surcharge and the limitation in security deposits.

The REALTORS® appreciate the comprehensive approach taken by the Administration in trying to address the critical housing crisis facing Maryland. While our members are recognized for their efforts putting buyers and sellers of residential real estate together, many of our members work as property managers as well. They mostly manage single-family rental properties for a variety of owners who may be investors with large portfolios or owners with only 2-3 rental properties.

Given our members’ engagement in leasing real estate, the REALTORS® recommend the following changes in the Governor’s tenant legislation.

Tenant Right of First Refusal

The REALTOR® amendment focuses the tenant right to purchase on a Tenant’s Exclusive Negotiation Period prior to the property being marketed publicly for sale. The REALTORS® recommend the owner of single-family rental property provide a tenant with the terms of a purchase offer that the owner would accept. The notice would be given at least 60 days prior to listing the property for sale and aligns with the notice period that owners are already required to give most tenants if an owner does not plan to renew the lease. This allows the tenant time to determine whether they are interested in the property and seek assistance in purchasing it.

If a tenant chooses not to purchase it or the owner and tenant are unable to close the deal, the tenant would no longer have a right of first refusal unless an offer is made on the property for 10 percent less than the lowest price negotiated by the owner and tenant during their exclusive negotiation period. In addition, if a landlord receives an unsolicited offer on the property prior to marketing the property for sale, the tenant would have a right of first refusal. That right would give the tenant 30 days to prepare an offer of sale to the owner.

In cases where the owner and tenant were not able to reach agreement during the exclusive negotiation period, the tenant would still have the right to make an offer on the property along with other interested purchasers in a normal real estate transaction. These proposed changes more closely follow the natural progression of a real estate sale transaction and are like offers that many owners already make to tenants living in their property.

Eviction Filing Fee

Although the REALTORS® support an increase in the eviction surcharge, the REALTORS® believe the surcharge should remain recoverable in court. In legislation introduced in prior years, the REALTORS® supported an increase of up to \$68 if the fee was recoverable. Evictions are already an expensive process. Landlords, particularly small landlords with single-family property, may spend hundreds to thousands of dollars when a tenant is evicted without accounting for the 1-2 months of lost rent while the property is cleaned and marketed. All turnover properties will be cleaned, repaired and often painted after a tenant leaves. During an eviction, some counties require a property owner to hire a moving crew to remove any personal property left behind by the tenant and provide a locksmith even before knowing whether the property is accessible. Given these expenses and lost rent, landlords have a strong financial incentive to keep tenants in a property as long as possible.

Limiting Security Deposits to One Month

While on its face, limiting security deposits to one month of rent rather than two months seems like a benefit for tenants, such changes will have negative consequences. In addition to one month's rent which is typically charged tenants now, many owners may also charge additional money to cover potential damages caused by pets. Without a two month deposit limit, owners would not be able to request additional deposits beyond one month and are less likely to accept pets. Additionally, owners may charge additional deposits for tenants without credit history or poor credit history to balance the additional risk of renting to them. By limiting the security deposit to one month, some owners will be less likely to take risks with tenants with poor credit.

These changes to HB 693 will bring more balance to this legislation while ensuring important new rights for tenants who wish to make the jump to home ownership.

**For more information contact lisa.may@mdrealtor.org or
christa.mcgeedrealtor.org**

Amendment

Beginning on page 8 strike line 6 through line 23 on page 12, and insert:

Article – Real Property

8–119.

(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(2) “FAMILY MEMBER” MEANS A SPOUSE, FORMER SPOUSE, DOMESTIC PARTNER, FORMER DOMESTIC PARTNER, SON, DAUGHTER, STEPSON, STEPDAUGHTER, PARENT, STEPPARENT, SIBLING, STEPSIBLING, SON-IN-LAW, DAUGHTER-IN-LAW, STEPSON-IN-LAW, STEPDAUGHTER-IN-LAW, PARENT-IN-LAW, STEPPARENT-IN LAW, GRANDPARENT, STEPGRANDPARENT, GRANDCHILD, OR STEPGRANDCHILD.

(3) “OFFER TO PURCHASE” MEANS A GOOD FAITH OFFER TO PURCHASE A RESIDENTIAL RENTAL PROPERTY FOR A PRICE AT WHICH A WILLING SELLER WOULD SELL AND A WILLING BUYER WOULD PURCHASE IN AN ARM’S LENGTH TRANSACTION.

(4) “TENANT” MEANS A LESSEE OF A RESIDENTIAL RENTAL PROPERTY WHO HAS RESIDED AT THE RESIDENTIAL RENTAL PROPERTY FOR NOT LESS THAN 6 MONTHS WHO:

(I) IS A NAMED LESSEE IN THE WRITTEN LEASE; OR

(II) HAS PAID TO THE LESSOR RENTAL PAYMENTS THAT THE LESSOR HAS ACCEPTED UNDER AN UNWRITTEN LEASE AGREEMENT.

(5) “MATERIAL TERMS”:

(I) INCLUDES THE SALES PRICE, SETTLEMENT DATE, AND OTHER CONTINGENCIES;

(II) SHALL NOT INCLUDE THE METHOD OF FINANCING OR WAIVING OF A HOME INSPECTION; AND

(III) SHALL BE COMMERCIALY REASONABLE, FAIR, DONE IN GOOD FAITH, AND ADHERE TO GENERALLY ACCEPTED RESIDENTIAL REAL ESTATE PRACTICES.

(6) “RESIDENTIAL RENTAL PROPERTY” MEANS A TENANT-OCCUPIED RESIDENTIAL RENTAL PROPERTY IMPROVED BY THREE OR FEWER INDIVIDUAL DWELLING UNITS.

(7) “TENANT’S EXCLUSIVE NEGOTIATION PERIOD” MEANS A PERIOD OF TIME IN WHICH A TENANT IS NOTIFIED ABOUT THE TENANT’S RIGHT TO PURCHASE THE PROPERTY AND NEGOTIATE EXCLUSIVELY WITH THE OWNER OF THE RESIDENTIAL RENTAL PROPERTY TO ENTER INTO A CONTRACT OF SALE.

(8) “THIRD PARTY” MEANS A PARTY WHO IS NOT LISTED UNDER SUBSECTION (B) AND IS NOT THE TENANT OF THE RESIDENTIAL RENTAL PROPERTY.

(B) THIS SECTION DOES NOT APPLY TO:

- (1) A TRANSFER OF TITLE TO A FAMILY MEMBER OF THE OWNER;
- (2) A TRANSFER OF TITLE TO A BUSINESS ENTITY OWNED IN WHOLE BY THE OWNER;
- (3) A TRANSFER OF TITLE THROUGH A SHERIFF'S SALE, TAX SALE, ORDER FORECLOSING RIGHT OF REDEMPTION, OR SALE BY FORECLOSURE, PARTITION, OR BY COURT APPOINTED TRUSTEE;
- (4) A TRANSFER BY A FIDUCIARY IN THE COURSE OF THE ADMINISTRATION OF DECEDENT'S ESTATE, GUARDIANSHIP, CONSERVATORSHIP, OR TRUST;
- (5) A TRANSFER OF TITLE PURSUANT TO A TESTAMENTARY DOCUMENT, A TRUST INSTRUMENT OR THROUGH INHERITANCE;
- (6) A TRANSFER OF TITLE TO A GOVERNMENT AGENCY;
- (7) A TRANSFER OF TITLE IN LIEU OF FORECLOSURE OF A MORTGAGE OR DEED OF TRUST;
- (8) A TRANSFER OF TITLE PURSUANT TO A COURT ORDER, RECEIVERSHIP OR COURT-APPROVED SETTLEMENT;
- (9) A TRANSFER OF TITLE PURSUANT TO THE ORDER OF A BANKRUPTCY COURT OR SALE BY A BANKRUPTCY TRUSTEE OR DEBTOR IN POSSESSION;
- (10) A GIFT TRANSFER OF TITLE TO ANY NONPROFIT ORGANIZATION EXEMPT FROM TAXATION UNDER § 501(C)(3) OF THE INTERNAL REVENUE CODE;
- (11) A TRANSFER OF TITLE BY A PUBLIC HOUSING AUTHORITY; OR
- (12) RESIDENTIAL RENTAL PROPERTY WITH FOUR OR MORE INDIVIDUAL DWELLING UNITS.

(C) (1) AS PROVIDED IN THIS SUBSECTION, BEFORE A RESIDENTIAL RENTAL PROPERTY MAY BE OFFERED FOR SALE TO THE PUBLIC OR ANY THIRD PARTY, THE OWNER AND TENANT SHALL ENTER INTO A TENANT'S EXCLUSIVE NEGOTIATION PERIOD FOR THE PURCHASE OF THE PROPERTY.

(2) (I) AT LEAST 60 DAYS, BUT NO MORE THAN 120 DAYS BEFORE A RESIDENTIAL RENTAL PROPERTY MAY BE LISTED FOR SALE WITH A REAL ESTATE BROKER OR OTHERWISE OFFERED FOR SALE TO THE PUBLIC OR ANY THIRD PARTY, THE OWNER OF THE PROPERTY SHALL CAUSE TO BE SENT TO EACH TENANT OF THE PROPERTY, A WRITTEN NOTICE OF THE TENANT'S RIGHT TO DELIVER AN OFFER TO PURCHASE THE PROPERTY.

(II) THE NOTICE SHALL:

1. BE IN THE FORM THAT THE SECRETARY OF THE DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT PRESCRIBES BY REGULATION;
2. BE DELIVERED BY:

A. UNITED STATES POSTAL SERVICE
CERTIFIED MAIL, RETURN RECEIPT REQUESTED; OR

B. DELIVERY SERVICE PROVIDING
DELIVERY TRACKING AND CONFIRMATION;

3. CONTAIN MATERIAL TERMS THAT THE
OWNER WOULD AGREE TO INCORPORATE IN A RESULTING CONTRACT OF
SALE WITH THE TENANT;

4. STATE, IN A CONSPICUOUS MANNER, THAT THE
NOTICE IS A SOLICITATION OF AN OFFER TO PURCHASE AND IS NOT
INTENDED, AND MAY NOT BE CONSTRUED TO RESULT IN A BINDING
CONTRACT OF SALE; AND

5. STATE ANY INFORMATION REGARDING
DEADLINES FOR THE TENANT TO SUBMIT AN OFFER TO PURCHASE.

(III) THE OWNER SHALL SEND A COPY OF THE NOTICE
TO THE OFFICE OF TENANTS' RIGHTS BY A METHOD THAT THE
SECRETARY OF THE DEPARTMENT OF HOUSING AND COMMUNITY
DEVELOPMENT PRESCRIBES BY REGULATION.

(3) (I) WITHIN 30 DAYS AFTER RECEIPT OF THE NOTICE,
THE TENANT MAY DELIVER TO THE OWNER A WRITTEN OFFER TO
PURCHASE THE PROPERTY.

(II) IF MULTIPLE TENANTS DELIVER OFFERS TO
PURCHASE THE PROPERTY, THE OWNER MAY SELECT THE
MORE FAVORABLE OFFER WITHOUT LIABILITY TO ANY
OTHER TENANT.

(III) WITHIN 5 DAYS AFTER RECEIPT OF THE OFFER TO
PURCHASE, THE OWNER SHALL:

1. ACCEPT THE OFFER IF THE OFFER
CONTAINS THE SAME OR MORE FAVORABLE MATERIAL TERMS AS
CONTAINED IN THE NOTICE, AND NOTIFY THE OFFICE OF TENANTS'
RIGHTS; OR

2. DELIVER A COUNTEROFFER TO THE
TENANT, WITH AN EXPLANATION OF HOW THE OFFER DEVIATES FROM
THE NOTICE, IF THE OFFER CONTAINS MATERIAL TERMS THAT DEVIATE
FROM THE TERMS OF THE NOTICE.

(4) (I) WITHIN 5 DAYS AFTER RECEIPT OF THE
COUNTEROFFER, THE TENANT MAY:

1. ACCEPT THE COUNTEROFFER; OR
2. REJECT THE COUNTEROFFER.

(II) IF THE TENANT FAILS TO RESPOND TO THE
COUNTEROFFER WITHIN 5 DAYS AFTER RECEIPT OF THE COUNTEROFFER,
THE COUNTEROFFER IS DEEMED TO BE REJECTED AND THE OWNER SHALL
NOTIFY THE OFFICE OF TENANTS' RIGHTS.

(5) IF THE TENANT DOES NOT DELIVER AN OFFER TO
PURCHASE AS PROVIDED IN PARAGRAPH (3) OF THIS SUBSECTION OR IF

THE PARTIES DO NOT ENTER INTO A CONTRACT OF SALE AS PROVIDED IN PARAGRAPH (4) OF THIS SUBSECTION, THE TENANT'S RIGHT OF FIRST REFUSAL IS TERMINATED AND THE OWNER SHALL NOTIFY THE OFFICE OF TENANT'S RIGHTS.

(D) (1) A TENANT HAS A RIGHT OF FIRST REFUSAL TO PURCHASE RESIDENTIAL RENTAL PROPERTY AS PROVIDED IN THIS SUBSECTION.

(2) A TENANT HAS A RIGHT OF FIRST REFUSAL TO PURCHASE RESIDENTIAL RENTAL PROPERTY IF:

(I) THE OWNER INTENDS TO ACCEPT AN OFFER FROM A THIRD PARTY TO PURCHASE THE PROPERTY THAT IS AT LEAST 10 PERCENT LESS THAN THE LOWEST PRICE OFFERED TO THE TENANT IN ANY PREVIOUS NOTICE, OFFER OR COUNTEROFFER PURSUANT TO SUBSECTION (C) OF THIS SECTION; OR

(II) THE OWNER, WITHOUT HAVING LISTED THE PROPERTY FOR SALE WITH A REAL ESTATE BROKER OR OTHERWISE OFFERED THE PROPERTY FOR SALE TO THE PUBLIC OR ANY THIRD PARTY, RECEIVES FROM A THIRD PARTY AN OFFER TO PURCHASE THE PROPERTY.

(3) (I) IF THE OWNER RECEIVES AN OFFER TO PURCHASE THE PROPERTY FROM A THIRD PARTY AS SPECIFIED IN SUBSECTION (D)(2) OF THIS SECTION, THE OWNER MAY NOT ACCEPT THE OFFER UNTIL:

1. THE OWNER PROVIDES WRITTEN NOTICE TO THE TENANT OF THE TENANT'S RIGHT OF FIRST REFUSAL; AND

2. THE TENANT HAS AN OPPORTUNITY TO EXERCISE THE RIGHT OF FIRST REFUSAL.

(II) THE WRITTEN NOTICE TO THE TENANT OF THE TENANT'S RIGHT OF FIRST REFUSAL SHALL:

1. BE IN THE FORM THAT THE SECRETARY OF THE DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT PRESCRIBES BY REGULATION;

2. BE DELIVERED BY:
A. UNITED STATES POSTAL SERVICE CERTIFIED MAIL, RETURN RECEIPT REQUESTED; OR
B. DELIVERY SERVICE PROVIDING DELIVERY TRACKING AND CONFIRMATION;

3. CONTAIN THE SAME SALES PRICE AS THE THIRD-PARTY OFFER TO PURCHASE.

4. STATE, IN A CONSPICUOUS MANNER, THAT THE NOTICE IS A SOLICITATION OF AN OFFER TO PURCHASE AND IS NOT INTENDED, AND MAY NOT BE CONSTRUED TO RESULT IN A BINDING CONTRACT OF SALE;

5. STATE ANY INFORMATION REGARDING DEADLINES FOR THE TENANT TO SUBMIT AN OFFER TO PURCHASE;

(III) THE OWNER SHALL SEND A COPY OF THE NOTICE TO THE OFFICE OF TENANTS' RIGHTS BY A METHOD THAT THE SECRETARY OF THE DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT PRESCRIBES BY REGULATION.

(4) (I) THE TENANT MAY, WITHIN 30 DAYS OF RECEIPT OF THE NOTICE UNDER PARAGRAPH (D)(3) OF THIS SUBSECTION, DELIVER AN OFFER TO PURCHASE THE PROPERTY TO THE OWNER.

(II) IF A TENANT DELIVERS AN OFFER TO PURCHASE AT THE SAME SALES PRICE AS THE THIRD-PARTY PURCHASER'S OFFER AS PROVIDED IN THIS PARAGRAPH, THE OWNER SHALL ACCEPT THE OFFER AND NOTIFY THE OFFICE OF TENANTS' RIGHTS.

(III) IF MULTIPLE TENANTS DELIVER OFFERS TO PURCHASE THE PROPERTY, THE OWNER MAY SELECT THE MORE FAVORABLE OFFER WITHOUT LIABILITY TO ANY OTHER TENANT.

(5) IF THE TENANT DOES NOT DELIVER AN OFFER TO PURCHASE THE PROPERTY AS PROVIDED IN PARAGRAPH (4) OF THIS SUBSECTION, THE OWNER MAY ACCEPT THE THIRD-PARTY PURCHASER'S OFFER OF SALE AND THE TENANT'S RIGHT OF FIRST REFUSAL IS WAIVED AND THE OWNER SHALL NOTIFY THE OFFICE OF TENANTS' RIGHTS.

(6) IF THE TENANT AND THE OWNER HAVE ENTERED INTO A CONTRACT OF SALE UNDER PARAGRAPH (4) OF THIS SUBSECTION, BUT THE CONTRACT IS TERMINATED BEFORE SETTLEMENT, THE TENANT'S RIGHT OF FIRST REFUSAL IS WAIVED AND THE OWNER SHALL NOTIFY THE OFFICE OF TENANT'S RIGHTS.

(7) IF A THIRD PARTY DELIVERS AN OFFER TO PURCHASE, THE OWNER SHALL PROVIDE NOTICE TO THE THIRD PARTY ABOUT THE TENANT'S RIGHT OF FIRST REFUSAL UNDER THIS SUBSECTION.

(E) THIS SECTION SHALL NOT BE CONSTRUED AS PROHIBITING AN INDIVIDUAL FROM SUBMITTING AN OFFER TO PURCHASE A PROPERTY LEASED BY THE INDIVIDUAL THAT IS LISTED FOR SALE WITH A LICENSED REAL ESTATE BROKER.

(F) THIS SECTION SHALL NOT BE CONSTRUED AS PROHIBITING MULTIPLE TENANTS FROM JOINTLY DELIVERING AN OFFER TO PURCHASE, OR FROM JOINTLY CONTRACTING TO PURCHASE, RESIDENTIAL RENTAL PROPERTY.

(G) THIS SECTION PREEMPTS ANY LOCAL LAW OR ORDINANCE GOVERNING THE RIGHT OF FIRST REFUSAL OF A JURISDICTION OR TENANT FOR THE PURCHASE OF A RESIDENTIAL RENTAL PROPERTY.

(H) THE RIGHTS OF A TENANT UNDER THIS SECTION MAY NOT BE WAIVED OR ASSIGNED AND ANY ATTEMPTED WAIVER OR ASSIGNMENT IS VOID.

(I) AN OWNER OF RESIDENTIAL REAL PROPERTY WHO VIOLATES THIS SECTION IS GUILTY OF A MISDEMEANOR AND ON CONVICTION IS SUBJECT TO A FINE OF NOT MORE THAN \$1,000 PER VIOLATION.

(J) A TENANT MAY SEEK RELIEF FROM A COURT OF COMPETENT JURISDICTION TO RESTRAIN OR ENJOIN ANY VIOLATION OF THIS SECTION

PRIOR TO THE CLOSING OF A CONTRACT OF SALE BETWEEN THE OWNER AND TENANT.

(K) (1) FOLLOWING CLOSING ON A CONTRACT OF SALE BETWEEN OWNER AND TENANT, LIABILITY FOR FAILURE TO COMPLY WITH THIS SUBSECTION SHALL LIE SOLELY WITH THE OWNER AND SHALL NOT ATTACH TO THE PROPERTY THAT IS THE SUBJECT OF THE REQUIRED NOTICE OR AFFECT THE RIGHTS OF THE PURCHASER.

(2) A TENANT WHO BRINGS AN ACTION AFTER CLOSING ON A CONTRACT OF SALE BETWEEN OWNER AND TENANT IN ANY COURT OF LAW AGAINST AN OWNER FOR FAILING TO PROVIDE THE NOTICE REQUIRED BY THIS SECTION MAY NOT FILE A NOTICE OF LIS PENDENS PURSUANT TO MARYLAND RULE 12-102; UPON MOTION OF A PARTY IN INTEREST THE COURT SHALL STRIKE A WRONGFULLY FILED NOTICE OF LIEN WITHOUT NEED FOR A HEARING.

HB_693_UNF_UpdatedTestimony_WilliamO'Connell_MSBA

Uploaded by: William O'Connell

Position: UNF



Real Property Section

To: Environment and Transportation (House)

From: Legislative Committee of the Real Property Section Counsel

Date: February 20, 2024 [Hearing Date February 20, 2024]

Subject: HB693 – Renters' Rights and Stabilization Act of 2024

Position: Updated - Opposed to Tenants' Right of First Refusal

The Real Property Section Counsel of the Maryland State Bar Association (MSBA) **opposes the Tenants' Right of First Refusal portion of House Bill 693 – Renters' Rights and Stabilization Act of 2024.**

This bill would increase the District Court surcharge for cases summary ejectment, tenant holding over or breach of lease that seeks a judgment for possession of residential property. The MSBA supports this aspect of the bill.

This bill also seeks to create an "Office of Tenants' Rights" who will create a "Tenants' Bill of Rights" and to create a "*right of first refusal* to purchase the property" in favor of a tenant, group of tenants, subtenant, lease, sublessee, or any other individual who is entitled to possession of occupancy or a residential unit. It the "*right of first refusal*" aspect of the bill that Real Property Section Counsel of the MSBA opposes.

After many years of applying a similar tenants rights law to single family residential property in the District of Columbia, the District Council essentially repealed the law. It had turned into a weapon used by lawyers and others to simply harass and demand sums to go away even when the tenant had no interest in purchasing the property. Maryland has some of the highest real estate transaction costs in the nation. The tenants' right of first refusal aspect of this bill will simply increase those costs for tenants and everyone else.

The offer to purchase is supposed to contain appraisal information, architectural plans and specifications, and operating information. Why would all that be required? Presumably the tenant lives in the residence and knows the property well. No other person who is interested in purchasing the property has a right to receive such information.

How will any purchaser know whether the seller complied with the law? If the tenant files an action to restrain or enjoin a sale, shouldn't such tenant be required to record a lis pendens in the land records? What happens if the action is filed after the closing?

For these reasons, the Real Property Section Counsel of the MSBA **opposes the Tenants' Right of First Refusal portion of House Bill 693 and asks for an unfavorable report as to that aspect of the bill.** Thank you for your consideration.