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DATE: February 29, 2024
BILL NO.: Senate Bill 481
TITLE: Renters' Rights and Stabilization Act of 2024
COMMITTEE: Senate Judicial Proceedings Committee

Letter of Support

Description of Bill:

Senate Bill 481 protects the rights of Maryland renters by increasing the filing surcharge in summary ejection 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 Senate Bill 481.



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