

Statement in support of Senate Bill 481 Renters' Rights and Stabilization Act of 2024

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America has been in a sustained affordable housing and eviction crisis for the last two decades. In 2019,¹ nearly half (46.3%) of renting households nationwide were housing cost burdened, spending more than 30% of their monthly income on housing, and nearly a quarter of renters (23.9%) spent over half their income on housing.² Housing cost burden is highest for renters of color and low-income households. Housing cost burden in Maryland is slightly above the national average: 49.9% of renting households are classified as housing cost burdened and 24.5% are severely burdened.³

Increasing housing cost burden places a growing number at risk of eviction. Princeton University's Eviction Lab estimates that 3.7 million eviction cases were filed nationwide in 2016. That amounts to an eviction filing rate of 9.6%: 9.6 evictions filed for every 100 renting households.⁴ In Maryland, however, we have collected data that suggest dramatically higher eviction filing rates—as high as 92.5% in 2019—by far the highest rate in the country (see Appendix A).

Maryland's high eviction filing rate reflects the fact that the threat of eviction is often used as a rent collection and property management tool, rather than a means of removing tenants. The strategic use of eviction filings was the subject of our analysis of serial eviction filings.⁵ Serial eviction filings take place when landlords and property managers repeatedly file evictions against the same household, at the same address, across multiple months and even years. Analyzing court records from across the country, we found that nearly one-third of households

¹ In this written testimony, where possible we draw on statistics from before 2020, to ensure that findings are not driven by COVID-19.

² Joint Center for Housing Studies at Harvard University. "The State of the Nation's Housing 2021." Harvard University, 2021.

³ Author's calculations based on 2019 one-year American Community Survey Data for Maryland. Underlying data are available at:

<https://data.census.gov/cedsci/table?t=Renter%20Costs&g=0400000US24&y=2019&tid=ACSDT1Y2019.B25070&hidePreview=true>

⁴ Ashley Gromis, et al., "Estimating the National Prevalence of Eviction Using Millions of Public Court Records," Working Paper: Princeton University, Eviction Lab, 2020.

⁵ Lillian Leung, Peter Hepburn, and Matthew Desmond, "Serial Eviction Filing: Civil Courts, Property Management, and the Threat of Displacement," *Social Forces* (2020): 1-29.

facing eviction in 2014 were filed against repeatedly at the same address. Interviews with 33 landlords and property managers led us to conclude that serial eviction filings were often used as a tool to facilitate rent collection—the threat of displacement a powerful inducement to pay rent.

Serial eviction filing is a plausible property management strategy only in places where eviction filing fees are low and regulatory barriers minimal. Jurisdictions that make eviction cheaper and quicker had significantly higher rates of serial eviction filings.⁶ In Indiana, Illinois, and Florida, less than one in every ten cases was a repeat filing. By contrast, almost half of eviction cases filed in 2014 were part of a serial eviction case in Delaware, South Carolina, and Virginia. In these states, eviction courts function as the court of first, not last resort.

To put this in context of SB 481, the current filing fee for Failure to Pay Rent cases in Maryland is \$15 (except Baltimore City, where it costs \$25). This is among the lowest in the country. The average filing fee nationwide is \$112, with Minnesota having the highest average filing fee (\$295.5).⁷ Only Washington, D.C. has an eviction filing fee as low as Maryland's.

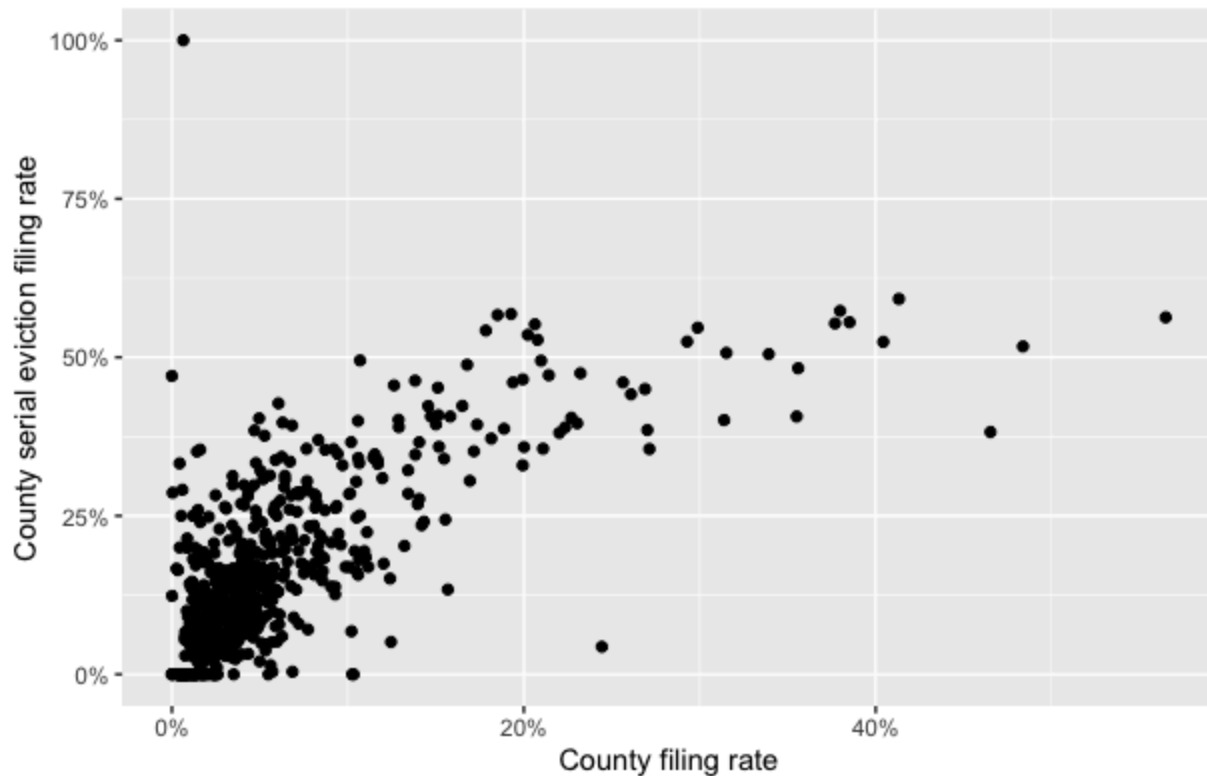
Due to the unavailability of case-level eviction filing data in the state, we cannot estimate serial eviction filing rates in Maryland. We provide statistics from nearby and similar states in Appendix B. Our analyses exploring the association between eviction filing rates and *serial* eviction filing rates demonstrate that states with higher overall filing rates tend to also have higher serial eviction filing rates as well (see Plot 1).⁸

Plot 1. County-level serial eviction filing rate by overall eviction filing rate.

⁶ Gomory, Henry, Douglas S. Massey, James R. Hendrickson, and Matthew Desmond. 2023. “The Racially Disparate Influence of Filing Fees on Eviction Rates.” *Housing Policy Debate* 33(6):1463–83. doi: 10.1080/10511482.2023.2212662.

⁷ Figures are based on 2018 filing fee information collected by the Eviction. Filing fees might vary across counties within the same state; figures cited are state average.

⁸ Gomory, Henry, Douglas S. Massey, James R. Hendrickson, and Matthew Desmond. 2023. “The Racially Disparate Influence of Filing Fees on Eviction Rates.” *Housing Policy Debate* 33(6):1463–83. doi: 10.1080/10511482.2023.2212662.



Note: Estimates are based on data from Leung et al. (2020). All estimates pertain to rates for 2014. No serial eviction filing data are available for Maryland.

There is considerable evidence to suggest that serial eviction filings are a common occurrence in Maryland. As noted above, the state’s overall eviction filing rate—which we can calculate given aggregate statistics described in Appendix A—is extraordinarily high. In 2019, 675,625 landlord-tenant cases were processed, translating to approximately 92.54 cases per 100 renting households.⁹ In the most extreme cases, we see a filing rate of 177.0% in Baltimore County, 131.5% in Prince George’s County, and 106.5% in Baltimore City in 2019. Rates of over 100% suggest many of these filings were likely part of serial eviction cases. Extrapolating the general pattern observed in Plot 1 to the eviction rates in Maryland, it seems more likely than not that a considerable share of all eviction filing in the state are serial eviction filings.

Serial eviction filings result in serious consequences for tenants, even those who never receive an eviction judgment. Having multiple eviction filings tarnishes tenants’ rental histories and creates barriers to finding housing in the future. In our interviews with property managers, many noted that they rejected applicants with negative rental history, even those that did not culminate in an

⁹ Monthly statistic reports were summed to obtain figures for 2019:
<https://mdcourts.gov/sites/default/files/import/district/statistics/2019/Calendar19.pdf>

eviction judgment. This pattern has also been documented by a number of journalists studying the tenant screening industry.¹⁰

Serial eviction filings also increase housing costs for households that are already struggling to pay rent. Landlords and property managers that we interviewed noted that they typically pass court costs, including filing and attorney fees, to tenants. We estimated that, across the country, each eviction filing translates into approximately \$180 in fines and fees for the typical renter household that pays to stay in their unit, raising their monthly housing cost by 20%. This bill's provisions ensuring that landlords and property managers do not pass on these costs should help to reduce the financial burdens of tenants who are already at risk of eviction.

Maryland's nationally anomalous filing rates raise the question of whether they are driven by Maryland's very low filing fee or its right of redemption for tenants. If the right of redemption is driving these filing rates, it would be because Maryland renters are very unlikely to pay rent until they are filed against, and we would expect to see a much higher proportion of renters behind on rent in Maryland compared to in other states. Plot 2 shows the proportion of renters who reported being behind on rent between June and October 2023, according to the Census PULSE survey. Approximately 15% of Maryland renters' reported being behind on rent, a rate that is very similar to other states in the region, slightly below Delaware's and above Pennsylvania's, and comparable to the national average of 12%. This suggests that Maryland's anomalous eviction filing rate is not being driven by particularly high levels of nonpayment among Maryland renters.

A second piece of evidence suggesting that Maryland's extreme filings rates are a consequence of its filing fee rather than its right of redemption is the fact that in many states, even those without a formal right of redemption, landlords routinely allow tenants the ability to repay owed rent rather than remove them from the property. Eviction is a costly process for landlords, who typically lose months of rental income, incur maintenance costs, and spend time screening tenants.¹¹ Accordingly, regardless of a formal right of redemption, landlords (and in particular, small-scale landlords) frequently make efforts to collect back rent, rather than remove tenants from their properties.¹² For example, in Boston between 2008 and 2016, among eviction cases for non-payment of rent that reached a judgment, meaning the tenant had not repaid the back rent by the time of the court case, fewer than 54% of cases resulted in a formal eviction. Instead, landlords frequently chose to work with tenants to receive back rent, even though they had the

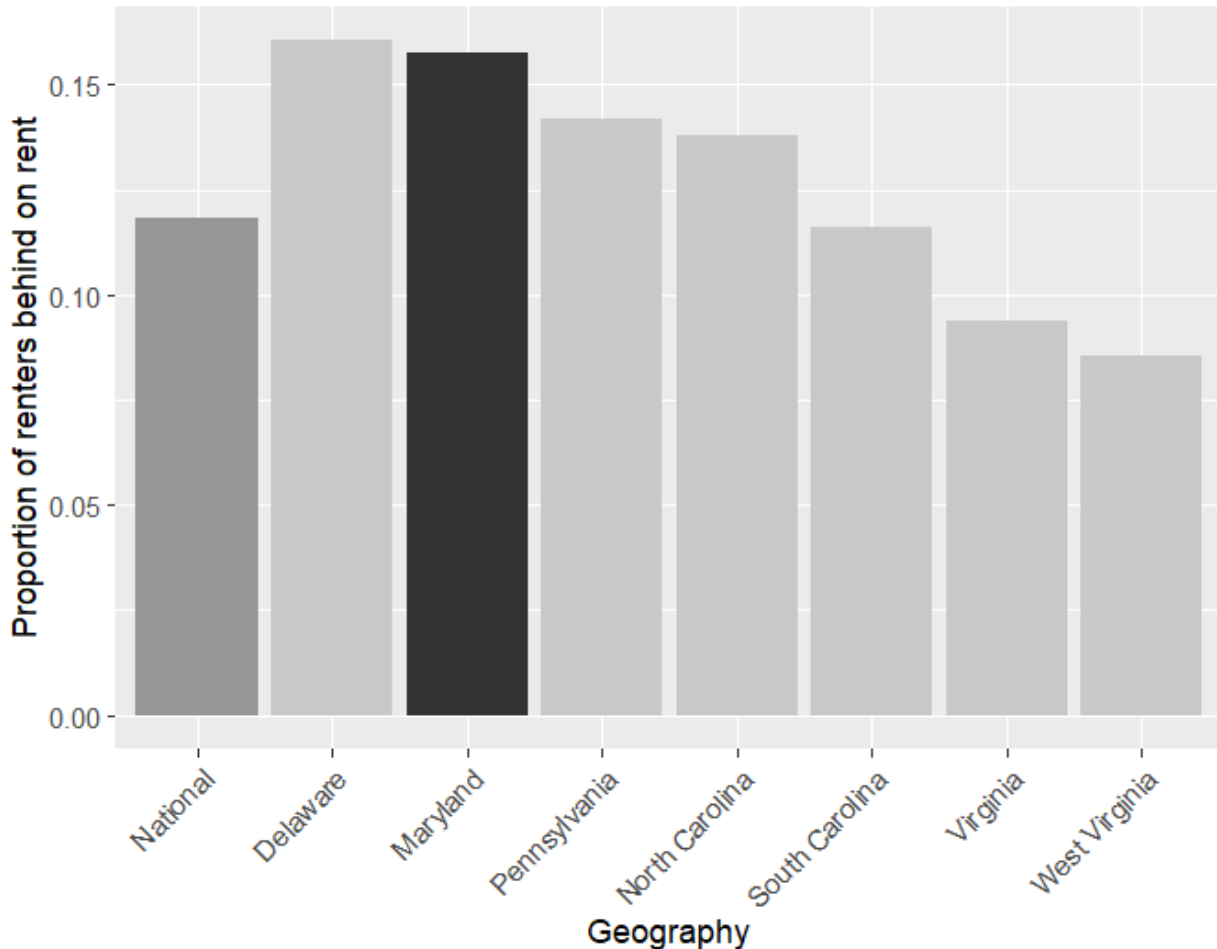
¹⁰ Megan Kimble, "The Blacklist," *The Texas Observer*, 12/9/2020; Lauren Kirchener, "Data Brokers May Report COVID-19-Related Evictions for Years," *The Markup*, 8/4/2020; Kyle Swenson, "The stimulus relieved short-term pain, but eviction's impact is a long haul," *The Washington Post*, 2/8/2021.

¹¹ Garboden, Philip M. E., Eva Rosen, Stefanie DeLuca, and Kathryn Edin. 2018. "Taking Stock: What Drives Landlord Participation in the Housing Choice Voucher Program." *Housing Policy Debate* 28(6):979–1003. doi: 10.1080/10511482.2018.1502202.

¹² Balzarini, John, and Melody L. Boyd. 2020. "Working With Them: Small-Scale Landlord Strategies for Avoiding Evictions." *Housing Policy Debate* 0(0):1–21. doi: 10.1080/10511482.2020.1800779.

formal right to remove tenants from their property. Accordingly, in a national perspective, Maryland's right of redemption is not particularly unusual.

Plot 2. Proportion of renters behind on rent by state



Note: Estimates are based on the Census PULSE surveys between June and October 2023.

Increasing the filing fee for eviction cases should serve to reduce undue and frivolous eviction filings, limit serial eviction filings, and lower administrative stress and burden on the court system. Trying to put pre-pandemic caseloads in context, we estimate that each district court in Maryland must handle an average of almost 400 cases *weekly*.¹³ Some, however, process far more than that. A 2015 report by the Public Justice Center and the Right to Housing Alliance estimates the rent court in Baltimore City, which has one of the state's highest eviction filing

¹³ We produced a back-of-the-envelope calculation by dividing the total number of filings in Maryland in 2019 by 52 weeks and by the 33 district court locations in Maryland.

rates, processes roughly 1,000 cases per day. The report describes “overwhelmed dockets” and rapid processes that undermine the court’s fairness.¹⁴

Our research indicates that SB 481 would likely reduce Maryland’s eviction filing rates and result in fewer unnecessary, serial eviction filings. The pass-through prohibition written into the law serves as a critical disincentive to landlords and ensuring that court costs are not passed on to tenants.

¹⁴ The Public Justice Center, the Right to Housing Alliance, Dan Pasciuti, and Michele Cotton. 2015. “Justice Diverted: How Renters Are Processed in the Baltimore City Rent Court.” http://www.publicjustice.org/wp-content/uploads/2019/09/JUSTICE_DIVERTED_PJC_DEC15.pdf

Appendix A

We have calculated state-level eviction filing rates using court statistics retrieved from Maryland's annual court reports. Data for 2000 to 2016 are drawn from Maryland Judiciary's annual Statistical Abstracts.¹⁵ Data for 2017 through 2019 are sourced from monthly statistical reports on the Maryland Courts' website.¹⁶ National filing rates are drawn from the Eviction Lab's website and are available only between 2000 and 2016.¹⁷

The filing rate is calculated by dividing the number of landlord-tenant cases filed that year by the number of renting households, drawn from the U.S. Census Bureau's American Community Survey. The rates below do not account for serial eviction filings.

State-level eviction filing rates in Maryland, 2000-2019

Year	Maryland Filing Rate (%)	National Filing Rate (%)
2000	82.27	6.00
2001	77.25	6.38
2002	81.14	6.96
2003	80.51	7.04
2004	79.22	7.07
2005	79.33	7.22
2006	81.62	7.49
2007	86.38	6.42
2008	88.87	6.50
2009	87.05	6.44
2010	91.25	7.05
2011	86.43	7.22
2012	88.39	6.98
2013	87.08	6.73

¹⁵ <https://mdcourts.gov/publications/annualreports>

¹⁶ <https://mdcourts.gov/district/about#stats>

¹⁷ <https://evictionlab.org/>

2014	83.75	6.60
2015	83.33	6.27
2016	83.65	6.12
2017	89.44	NA
2018	90.28	NA
2019	92.54	NA
2020	42.55	NA
2021 (partial) ¹⁸	45.15	NA

Appendix B

State	Average Filing Fee (2018) (\$)	State Serial Eviction Filing Rate (%)
Delaware	40	56.3
North Carolina	126	41.3
South Carolina	40	46.7
Virginia	44.5	50.7
West Virginia	50	10

¹⁸ Court data for 2021 has only published numbers up to November. The eviction rate calculated therefore is lower than what the actual filing rate for a complete year would be.