



Senate Bill 481

Committee: Judicial Proceedings
Date: February 29, 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, Senate Bill 481 (SB 481) 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 SB 481 to protect access to the civil justice system and avoid compounding the State's affordable housing crisis.

By making court costs unrecoverable, SB 481 is designed and intended to price property owners out of accessing the civil justice system. In fact, the stated intent of SB 481'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 SB 481 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, SB 481 explicitly excludes housing providers from accessing certain services and information, see *page 6, line 10*. For this reason, MMHA strongly encourages an amendment to SB 481 that creates an Office of Housing that will provide services and resources to both tenants and housing providers.

MMHA is concerned that SB 481 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.



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, SB 481 arbitrarily extends timeframes in the rent court process and unnecessarily creates mandatory stays for certain weather conditions.

As drafted, SB 481 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 SB 481 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 SB 481.