

February 28, 2024

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

Thank you everyone. My name is Henry Gomory. I'm a doctoral student of Sociology and Social Policy at Princeton University and a researcher at the Eviction Lab. I am testifying today on behalf of myself and my colleagues Lillian Leung, Peter Hepburn and Matthew Desmond in favor of SB 481.

America has been in the midst of an affordable housing and eviction crisis for many years. 3.7 million eviction cases were filed nationwide in 2016. That amounts to almost seven evictions filed for every 100 renting households. In Maryland, we estimate an eviction filing rate of **92.5%**, the highest state-level filing rate in the country by a wide margin.

Maryland's volume of eviction filings, both before and after the pandemic, reflects the common practice of serial eviction filings: repeated filings against the same household at the same address. Our interviews in South Carolina and Alabama show serial filings are a means through which landlords use the threat of eviction as a rent collection and property management tool, with many filings not reaching eviction. Given Maryland's extremely high filing rate, these repeat filings almost certainly underlie the observed high eviction filing rates.

Serial eviction filings have serious consequences. For tenants, multiple eviction filings tarnish their rental histories and create barriers to finding housing in the future, even if they never receive a formal eviction judgment. Because landlords and property managers pass court and attorney costs onto tenants, serial eviction filings also increase housing costs. Each eviction filing translates into a 20% increase in monthly housing costs for those who pay to stay in their units. High volume of serial filings also increase administrative burden on the civil courts.

Maryland's filing rate is anomalous among all states, raising the question of whether these rates 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 mean that Maryland renters are very unlikely to pay rent until they are filed against. We would therefore expect to see a much higher proportion of renters behind on rent in Maryland compared to in other states. However, data from the Census PULSE survey shows that rates of nonpayment among Maryland renters are similar to those in neighboring states and the national average.

In contrast, analyses of national filing fees show that serial eviction filing rates, and filings rates overall, are dramatically higher in states like Maryland where eviction filing fees are low. Our national study shows differences of only \$100 can have massive effects on eviction filing rates, equivalent to the differences in filing rates between high and low-income areas. In states with low fees, eviction courts function as the court of first, not last resort. Examples in high-barrier

states like Alabama and landlord adoptions in the pandemic have shown there are alternative ways for landlords to collect rent BEFORE going to eviction court.

It is also important to ensure that landlords and property managers do not pass on these costs to tenants. Not only does it help reduce the financial burdens of tenants who are already at risk of eviction, it further disincentivizes serial eviction filings. Without the passthrough prohibition, eviction filings will continue to come at relatively low financial risk to landlords and property managers.

As pandemic-related tenant protections begin to fade away, more permanent changes to eviction proceedings must be implemented to reduce eviction filing rates and unnecessary serial eviction filings. We therefore support SB 481.