

TESTIMONY IN SUPPORT OF SENATE BILL 481 (2024)

Renters' Rights and Stabilization Act of 2024

Before the Judicial Proceedings Committee: February 29, 2024

Senate Bill 481, cross-filed with House Bill 693, would prohibit courts from passing on to tenants the court-imposed surcharge for filing an eviction proceeding and would increase the surcharges that landlords must pay when filing an eviction proceeding. Given that Maryland has high eviction filing rates, this measure is crucial to protecting Maryland renters and will reduce the burden of eviction filings on the judiciary. SB 481 would discourage landlords from abusive, serial eviction filings by charging them more to file and prohibiting landlords from forcing tenants to pay the eviction surcharge fees. As a result, the bill will benefit public health by improving housing stability, which is a social determinant of health. For these reasons, we urge a favorable report of SB 481.

SB 481 WILL HELP SHIELD RENTERS FROM SERIAL FILING AND PASSED-ON FEES

This bill will disincentivize landlords from filing eviction cases, particularly serial filing, by increasing the surcharges courts impose on landlords and prohibiting landlords from passing the surcharge as a fee to tenants. The core of the issue is that currently landlords need only pay a small surcharge, which they can pass on to tenants, to file eviction actions—which are commonly filed after a tenant fails to pay rent (these are called summary ejection cases). Even when the filing from the landlord does not result in eviction, the landlord may pass the cost to the tenant.

Filing fees across the country range from \$15 to \$350,¹ with Maryland having the lowest fee in the country.² Serial filing occurs when a landlord files more than one eviction suit within a year against the same tenant. The serial filing epidemic is rampant in Maryland. For example, in Anne Arundel County, about 20% of those who received an eviction notice between 2019 and

¹ *Eviction Filing Fees Impact Filings, Judgements, and Serial Filing Practices*, NAT'L LOW INCOME HOUS. COAL. (June 5, 2023), <https://nlihc.org/resource/eviction-filing-fees-impact-filings-judgements-and-serial-filing-practices/>.

² Henry Gomory et al., *When It's Cheap to File an Eviction Case, Tenants Pay the Price*, EVICTION LAB (June 6, 2023), <https://evictionlab.org/tenants-pay-for-cheap-evictions/>.

2022 received at least five eviction filings against them.³ Additionally, Maryland renters are more likely to face an eviction filing, in comparison to sister states (see Table 1 below).

Filing fee policy changes can decrease both the eviction filing rate and the serial eviction filing rate. “Higher eviction filing fees appear to significantly reduce eviction filing rates . . . , while lower fees are associated with higher rates of serial eviction filings by landlords.”⁴ In a 2023 study from the Eviction Lab, filing fee increases of \$100 correlated to almost half the number of eviction cases.⁵ This demonstrates how increasing fees and prohibiting passing the fee on to the tenant can make great strides in decreasing eviction actions in Maryland. When landlords have to bear the cost of the fees and pay higher surcharges, they are more likely to work with tenants directly, instead of using the courts to enforce rent payments. These benefits are especially good at curbing serial filing.

Finally, this is a particularly effective measure because it will have the greatest impact on majority-Black neighborhoods where the impact of redlining and other aspects of structural racism persists. Landlords historically are more likely to pursue eviction proceedings against Black and Latino tenants, contributing to housing insecurity and related health consequences for those communities. Thus, SB 481 can directly decrease eviction filings and, particularly, abusive serial filing.

SB 481 WILL BENEFIT PUBLIC HEALTH BY IMPROVING HOUSING STABILITY

Currently, the low filing fees and allowing the passing of fees to tenants creates housing instability in Maryland and harms public health. Housing stability is a social determinant of health (a condition that affects health outcomes). Factors like trouble paying rent or possible eviction contribute to housing instability. Housing instability can result in numerous negative health outcomes, including poorer physical health, lack of access to health care, and worse mental health. Young adults facing housing instability are more likely to experience teen pregnancy, drug use, and depression.

³ Sophie Kasakove et al., *For Some Maryland Landlords, Filing for Eviction is a Monthly Routine. Tenants Pay the Price*, BALT. BANNER (Aug. 31, 2022, 6:00 AM), <https://www.thebaltimorebanner.com/community/housing/for-some-maryland-landlords-filing-for-eviction-is-a-monthly-routine-tenants-pay-the-price-HSUABD736VAUZOKX7VZDTR2L3A>.

⁴ *Eviction Filing Fees Impact Filings, Judgements, and Serial Filing Practices*, NAT’L LOW INCOME HOUS. COAL. (June 5, 2023), <https://nlihc.org/resource/eviction-filing-fees-impact-filings-judgements-and-serial-filing-practices>.

⁵ Henry Gomory et al., *When It’s Cheap to File an Eviction Case, Tenants Pay the Price*, EVICTION LAB (June 6, 2023), <https://evictionlab.org/tenants-pay-for-cheap-evictions/>.

Clearly, eviction is a threat to housing stability in Maryland. For example, in 2016, “there were more eviction cases filed in Maryland district courts ... than there were rental households across the state.”⁶ When compared to other states, the eviction problem in Maryland is even more concerning. About 23,000 eviction actions are filed per month in Maryland, with only approximately 8,000 per month in Pennsylvania and 5,000 per month in Virginia, for comparison.⁷ Changes in filing fee policy are recognized as a useful tool to decrease housing instability. By increasing the surcharge and prohibiting passing on fees, SB 481 will provide greater housing stability to Maryland renters and in turn, improve public health.

CONCLUSION

The increase in surcharge for filing an eviction proceeding and the prohibition on passing the surcharge to tenants will decrease eviction actions in Maryland and provide greater housing stability, subsequently improving public health. For these reasons, we request a favorable report on Senate Bill 481.

This testimony is submitted on behalf of the Public Health Law Clinic at the University of Maryland Carey School of Law and not by the School of Law, the University of Maryland, Baltimore, or the University of Maryland System.

⁶ REPORT OF THE ACCESS TO COUNSEL IN EVICTIONS TASK FORCE, MD. ATT’Y GEN. (2022).

⁷ Sophie Kasakove et al., *For Some Maryland Landlords, Filing for Eviction is a Monthly Routine. Tenants Pay the Price*, BALT. BANNER (Aug. 31, 2022, 6:00 AM), <https://www.thebaltimorebanner.com/community/housing/for-some-maryland-landlords-filing-for-eviction-is-a-monthly-routine-tenants-pay-the-price-HSUABD736VAUZOKX7VZDTR2L3A>.

TABLE 1 (FROM THE BALTIMORE BANNER)

Eviction filings per rental household in Maryland dwarf those in Pennsylvania, Virginia and Delaware

Maryland evictions dropped sharply at the onset of the pandemic but remained higher than the combined rates of neighbor states.

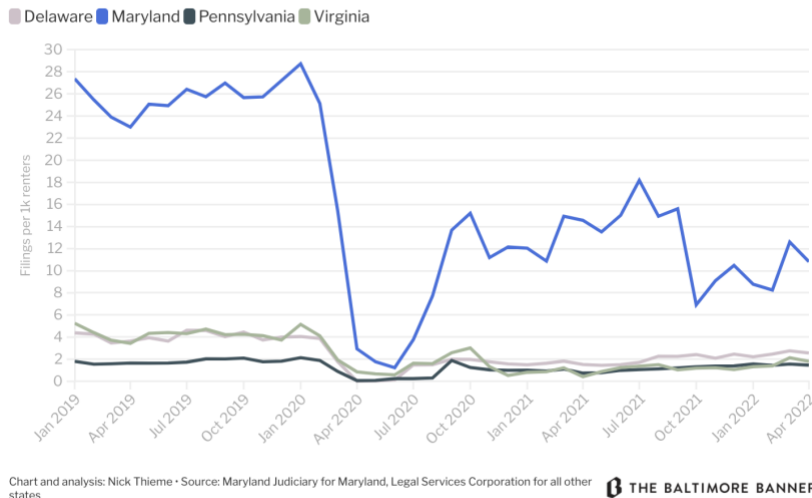


Chart and analysis: Nick Thieme • Source: Maryland Judiciary for Maryland, Legal Services Corporation for all other states

THE BALTIMORE BANNER

A Flourish chart

SOURCE:

Sophie Kasakove et al., *For Some Maryland Landlords, Filing for Eviction is a Monthly Routine. Tenants Pay the Price*, BALTIMORE BANNER (Aug. 31, 2022, 6:00 AM), <https://www.thebaltimorebanner.com/community/housing/for-some-maryland-landlords-filing-for-eviction-is-a-monthly-routine-tenants-pay-the-price-HSUABD736VAUZOKX7VZDTR2L3A>.