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BILL NO.: **SB 481**

TITLE: Renters’ Rights and Stabilization Act of 2024

SPONSOR: Senate President Ferguson (By Request of the Administration)

COMMITTEE: Judicial Proceedings

POSITION: **SUPPORT**

DATE: February 29, 2024

Baltimore County **SUPPORTS** Senate Bill 481 – Renters’ Rights and Stabilization Act of 2024. This legislation takes a number of positive steps to help protect vulnerable tenants in Maryland.

Maryland has the highest eviction filing rate in the nation and Baltimore County has the highest failure to pay rent filing rates in the State. The current status quo allows landlords to use the court system as a de facto collection agency. Existing law permits District Courts to assess a surcharge of no more than \$8 for a summary ejection case. The legislation proposes raising the ceiling to \$93, and applying it to tenant holding over cases and a “breach of lease that seeks a judgement for possession of residential property against a residential tenant.” As a result of this change, the cost of filing an eviction would be raised from \$15 (the lowest in the nation) to \$100 (much closer to the nationwide average).

The collected funds would be equally allocated to two programs – the Statewide Rental Assistance Voucher Program and the Maryland Legal Services Corporation (MLSC). The statewide voucher program – established last year with a requirement to be funded at \$10M annually – but lacks an consistent source of funding, as a funding source was not identified in the legislation. MLSC provides access to counsel to tenants in eviction filing cases that could not otherwise afford counsel. This change to eviction filing policy is a “win-win” that helps protect tenants from frivolous and repeated filings and funds programs that provide both housing opportunities and tenant protections.

Second, the legislation adjusts the prioritization categories of the new statewide voucher program. Currently, the program is required to equally prioritize households with a child under the age of 18, a foster child between the age of 18-23, a military veteran, an individual experiencing homelessness, a disabled individual, or an elderly individual. The legislation would

shrink this category to 50% of the prioritized households, and remove households with children from under age 5 from this category. The other 50% of prioritized households would be those with children under age 5 and those with a pregnant individual. Baltimore County recognizes that provision is in line with Governor Moore's goal to reduce childhood poverty.

Third, the legislation establishes the Office of Tenant's Rights (OTR) within the State Department of Housing and Community Development (DHCD). Baltimore County strongly supports this provision, which recognizes the need to provide renters with a centralized place to access information about their rights and how they can be accessed. Renters are frequently at risk of unfair treatment by landlords, and should be provided an easier way to understand their rights as tenants. The County currently funds landlord-tenant advocacy services as part of its fair housing activities.

Fourth, the legislation creates a right of first refusal for tenants. Under this provision, a landlord cannot sell a property without offering a renter the option to purchase the property themselves at an identical price. The right would only apply to single-family homes and properties with four or less units. Slightly different timelines (related to notification and the decision to either waive or exercise the right to purchase the property) are created for the two categories to accommodate the possibility of a group of multiple tenants purchasing a property with multiple units. The right only applies to tenants who have resided at the property for at least 6 months. The proposed Office of Tenant's Rights is intended to help tenants navigate the right of first refusal process. Baltimore County supports this provision, which is intended to reduce potential displacement and promote pathways to homeownership.

Fifth, the legislation creates certain renter protections. It reduces the allowable security deposit for renters from two month's rent to one month's rent, removing the ability to charge "first and last month's rent." This would lower the barrier to access housing and limit the amount of money that a landlord could choose to not refund when a tenant leaves the property. Additionally, the legislation creates the requirement for a court to stay an execution of a warrant of restitution of residential property in the event of certain extreme weather conditions. This would ensure that a tenant cannot be evicted and left without housing during significant weather events such as freezing weather, a winter storm or blizzard, a hurricane or tropical storm, or excessive heat. Baltimore County believes the change to the security deposit provision and the extreme weather protections are significant positives for individuals seeking to obtain or maintain access to housing.

Finally, the legislation expands the type of data that the Judiciary must provide the State DHCD with on a monthly basis. This data includes critical pieces of information, such as the amount of rent and fees owed at the time of possession judgement, whether the renter had an option for redemption, whether the tenant appeared at the hearing, and if they had representation at the hearing. This data collection could be beneficial in guiding future policy changes that seek to help protect renters.

Collectively, this legislation takes major steps forward in making Maryland a state that prioritizes housing stability and the protection of renters from unfair and unjust treatment.

Accordingly, Baltimore County urges a **FAVORABLE** report on SB 481 from the Senate Judicial Proceedings Committee. For more information, please contact Jenn Aiosa, Director of Government Affairs at jaiosa@baltimorecountymd.gov.