

SB0481.pdf

Uploaded by: Adiena Britt

Position: FAV

SB0481- Renters' Rights and Stabilization Act of 2024

Stance: Favorable

Testimony: My name is Adiena Britt and I reside in the 45th Legislative District. I am an owner of my home, but have many friends and relatives of friends that are renters throughout Baltimore City. I am writing in favor of SB0481, but would like to provide some additional information that should be considered regarding renter's rights.

Firstly, if the legislature is going to develop, or redevelop a Maryland Tenants Bill of Rights; you will need to understand FROM actual renters what it is that they are being put through at this current time. I was involved with the process of attempting to rent an apartment with a friend of mine this past Summer. I was appalled at what I witnessed. Here are the things I feel the Legislature needs to consider when drafting and creating a Renter's Bill of Rights:

Upon arriving at the "Rental Office" to apply, the person I was with needed to pay a \$25 fee for some kind of background check and "application fee" that was non-refundable once the process was started. Landlords charge this all over the City, especially if they are a corporation rental agency. If a person is "denied" for any reason, they still do not receive this back. This means that if a person applies for apartments in several places, they are out this fee for Each and Every place that they apply. A steady flow of income for these rich corporations that are literally taking money from people that cannot afford to just hand over \$25 since they're already living paycheck to paycheck.

If that's not bad enough, the rental agent told my friend that once their credit was checked, they could be charged as much as two times the rent for a double security deposit; meaning they would have to come up with THREE MONTHS worth of rent in order to just move in. I feel this is addressed in this bill, but would love to have this in writing in my testimony. In relation to this, once the person is actually "approved" and already living in the apartments, if they wish to move within the facility to a different unit, they are CHARGED AGAIN all of what I stated above. The \$25 application fee, even though they were already approved, and another security deposit! How are they allowed to put people through this process again when they've already been through it?

Another piece the legislature should be considering is Utility companies. Specifically BGE, but also those like Comcast that supply wi-fi which is now a necessity for living. I witnessed the rental agent put my friend in touch with BGE in order to have the electricity bill turned over into their name as opposed to the Rental Corporation's. BGE charged \$175 "security deposit"! So a person, most likely making minimum wage, or not much more can typically need to pay Two to Three month's rent, \$25 application fee, AND \$175 to have the electric turned over to their name! I will ask you all, Can YOU come up with that kind of money in less than a month at your rate of pay? Let alone someone making less than \$20 an hour, sometimes much less. Comcast at least had the Affordable Connectivity Program, but even that is guaranteed and they play just as many games. They also require a deposit of \$30 in order to enroll and then they take a month or more to process that application.

In essence, if a rental unit costs \$675 (which is for a studio with no bedroom typically) a person making minimum wage and living paycheck to paycheck will need to come up with anywhere from \$1560-\$2230 in a month's time in order to move in! Would you be able to come up with that? Would you still be able to eat? Do your laundry? Pay your phone bill? Afford transportation for your job? Please take all of these things into consideration and have actual renters provide input for a Bill of Rights that will directly impact and affect them. Thank you.

Final Testimony SB 481 Renters Rights.pdf

Uploaded by: Adria Crutchfield

Position: FAV



100 North Charles Street, 2nd floor
Baltimore, Maryland 21201

410-223-2222
www.brhp.org

February 28, 2024

Senator William C. Smith, Jr., Chair
Senator Jeff Waldstreicher, Vice Chair
2 East
Miller Senate Office Building
Annapolis, Maryland 21401

RE: Support for Senate Bill 481 – Renters' Rights and Stabilization Act of 2024

Hearing before the Judicial Proceedings Committee on February 29, 2024

Position: Support (FAV)

Dear Honorable Members of the Judicial Proceedings Committee,

We appreciate the opportunity to submit testimony on behalf of the Baltimore Regional Housing Partnership (BRHP). I am writing to express our strong support for Senate Bill 481.

BRHP is a non-profit organization that expands housing choices for families with low incomes who have historically been excluded from housing in well-resourced neighborhoods, helping them to access and transition successfully to safe, healthy, and economically vibrant communities. As the Regional Administrator for the Baltimore Housing Mobility Program, BRHP has opened pathways to a better future for low-income families for over 10 years. BRHP currently provides over 4,300 low-income families rental assistance in the form of the Housing Choice Voucher, coupled with counseling supports for families as they move from areas of concentrated poverty to areas of opportunity in Baltimore City and the five surrounding counties.

BRHP is dedicated to helping achieve racially and socially equitable public policy that ensures low-income families have access to quality and affordable homes in communities of their choice. In our work, we have witnessed firsthand the challenges and disparities faced by tenants in Maryland, and we believe that this bill addresses many of these challenges and has the potential to benefit countless Maryland residents.

Eviction-Related Equity Implications





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Due to pandemic-related eviction moratoriums, the state of Maryland reported record low eviction rates in 2020, 2021, and 2022—a total of over 23,000 evictions combined across three years, averaging roughly 8,000 evictions per year, according to the District Court of Maryland Criminal Case Activity report. Between January 2023 and September 2023, following the end of pandemic-era eviction protections, the number of evictions had nearly doubled, with over 16,000 evictions across the state.

Evictions disproportionately affect renters of color and families with young children. According to the Princeton University Eviction Lab, over half of eviction filings are against Black renters, even though only 18.8% of renters in America identify as Black. Moreover, the rate of risk of eviction is nearly doubled for households with children compared to households without children. The increased risk of eviction for marginalized communities shows that swift action should be taken to address how evictions are sought.

Additionally, the Eviction Lab finds that states and counties with higher eviction filing fees have lower overall eviction filing rates; Maryland, with an eviction filing rate higher than the national average, has one of the lowest eviction filing fee costs in the country. In comparison, states with high eviction filing fees often have eviction filing rates much lower than the national average. Eviction Lab cites Alabama as an example: in 2018, the average eviction filing fee was \$276, while the eviction filing rate was under 4% statewide.

By increasing surcharges for certain landlord-tenant cases and directing these funds to the Statewide Rental Assistance Voucher Program and the Maryland Legal Services Corporation Fund, this bill not only takes a vital, proven step toward helping promote stable tenancies and lower eviction rates, but also ensures that more resources are available to support tenants in need and to provide legal assistance.

Establishment of the Office of Tenants' Rights

We commend this bill on the proposal to create the Office of Tenants' Rights within the Department of Housing and Community Development and believe the office will play a critical role in helping educate and advocate for Maryland tenants. This office will serve as a vital resource for tenants, providing them with the information and support needed to navigate the complexities of tenancy laws and to advocate for their rights effectively; coupled with raising the eviction filing fee, we believe that these efforts will help Maryland renters understand and maintain stable, long-term tenancies. Further, the role of the office in reporting and addressing violations of renters' rights is a crucial part of ensuring that the provisions of this bill will be enforced, and that those violating fair housing practices are held accountable.

Tenants' Bill of Rights

The Baltimore Regional Housing Partnership is an equal housing opportunity provider.





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We appreciate and support the creation of a Maryland Tenants' Bill of Rights. This document will help ensure that all renters are aware of their rights, locally and federally, thereby boasting understanding of and transparency around habitability standards, security deposit regulations, eviction procedures, and anti-discrimination protections. Moreover, we commend the bill for aiming to make materials not only broadly available but also dispersed in engaging and accessible formats. Including the Bill of Rights in each residential lease will further ensure that all renters are aware of their rights and will serve as a reference for clients and landlords throughout the duration of a tenancy.

Limitation on Security Deposits

By limiting security deposits to one month's rent, Senate Bill 481 addresses a critical barrier to housing accessibility. High security deposits can be a significant barrier to entry for many renters; security deposits in excess of one month's rent can both outprice units for renters, which can exclude renters from certain homes and neighborhoods, and can otherwise cause financial hardships that may impact other aspects of the move process and the tenant's ability to adjust smoothly to a new home. By capping security deposits at one month's rent, the bill helps lower the upfront costs associated with moving into a new rental unit, promotes equal housing opportunity for all renters, and ensures that the security deposit serves its intended purpose—providing a reasonable safeguard against damages—without becoming a prohibitive cost for tenants.

Statewide Rental Assistance Voucher Program

BRHP strongly supports Senate Bill 481's modification of the Maryland Rental Assistance Voucher Program to provide prioritization of vouchers for families with children under the age of five and for pregnant individuals. Over half of the more than 14,000 individuals in the Baltimore Housing Mobility Program are children, with many participants being 8 years of age or younger, a prioritization in our own program that acknowledges the impact of strong housing opportunities from a young age.

Substantiated by myriad research studies, including the seminal Moving to Opportunity study and, most recently, the Mobility Asthma Project (MAP), published in the Journal of the American Medical Association, receiving housing assistance in the form of a housing voucher has profound impacts on the health, educational, and financial outcomes of children; these effects are especially impactful when interventions are sought at a young age. For instance, as evidenced in the Moving to Opportunity study, children under the age of 13 participating in a voucher program who moved from high-poverty to low-poverty neighborhoods were more likely to attend college, had higher incomes in their mid-twenties, and were more likely to live in low-poverty neighborhoods as adults.





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Similarly, research by Rice University professor Anna Rhodes finds that the social impact of housing mobility is strongest when families move with young children. According to her study, children moving at a young age were more likely to socially and educationally integrate into their new neighborhoods—making friends with other children in the neighborhood, joining extracurricular activities in the area, and experiencing an overall greater sense of neighborhood inclusion when compared to families with children moving at a later age. As Harvard University researcher Raj Chetty finds, the connections made at a young age go on to play a vital role in promoting economic mobility for families. Moreover, the MAP study finds that moving to low-poverty areas at a young age can play a critical role in promoting child health and long-term effects on lung growth and function. Given these findings, in addition to BRHP's experience administrating the third largest voucher program in the region, we strongly support the proposed prioritization of voucher allocation for families with young children.

Pathways to Homeownership

Finally, BRHP commends SB 481's proposed changes to allow current tenants to have the right of first refusal to purchase a property. We support the expansion of homeownership opportunities for lower income bands and believe that renters and tenants, particularly those with long-term, healthy tenancies, should have the option to easily transition from making on-time rental payments to making timely mortgage payments, rather than being displaced or destabilized from an unexpected sale.

We appreciate your consideration and urge the Committee to issue a favorable report for SB 481.

Sincerely,

Adria Crutchfield

Executive Director



SB0481_FAV_AnnaLevy_02-29-2024.pdf

Uploaded by: Anna Levy

Position: FAV

February 29, 2024

Anna T. Levy
Rockville, MD 20852

TESTIMONY ON BILL SB0481 – Position: FAVORABLE
Renters Rights and Stabilization Act of 2024

TO: Chair Smith, Vice Chair Waldstreicher and Members of the Senate Judicial Proceedings Committee

FROM: Anna T. Levy

My name is Anna T. Levy, a resident of Rockville, MD, District 16. I am submitting this testimony in support of SB0481, Renters Rights and Stabilization Act of 2024.

Safe and stable housing has far reaching economic, health, and social benefits for individuals, families, and communities, and is key to reducing racial inequities. The home is a critical source of stability for individuals and families. It provides a nexus for social interactions for families, friends, and communities. We know from published research, including a recent analysis by the [Maryland Center for Economic Policy](#), and those of Matthew Desmond and Princeton's Eviction Lab, that the disruption resulting from evictions contributes to long term physical, psychological, educational, and economic damage that can condemn people to poverty and destabilize communities. We also know that evictions often cause continually growing debts that are often impossible for families to pay off, much less to get ahead of and ultimately achieve financial stability.

Evictions create significant costs for state and local government related to funding for shelter and education, as well as health care provided in hospitals instead of by community-based providers, transportation costs for homeless youth, and foster care. Notably, evictions have a disparate impact on Black and brown households in Maryland. Decreasing the number of evictions would help to reduce significant racial inequities and strengthen the financial status of individuals and our communities. Thus, we have an obligation to make sure that people can stay in their homes.

SB0481 addresses several issues that can help Maryland families move toward financial and housing stability and reduce the high rate of eviction filings in our state.

Reducing the maximum allowable security deposit from two, to one month's rent will remove a financial barrier for thousands of families. Additionally, many renters are unaware of their rights and responsibilities and of the services available to them. The creation of a new Office of Tenants' Rights will provide a central resource for renters to access this information in a timely way. Eviction data collected by the Office will help the state to develop better policies.

Maryland has one of the lowest court filing fees for evictions in the country. Increasing the court filing fee will help to deter serial eviction filings. It is imperative that the bill maintain the current language which does not allow the increased fee to be passed on to renters. Passing

on the fee would further jeopardize a renter's ability to pay off their owed rent and fees, especially when late fees are added on the amount owed, causing renters to fall even further behind and make eviction more probable. The additional fee should be an incentive to landlords to work with renters to put in place plans so that they are able to stay current on rent.

I respectfully urge a favorable report from the Committee in support of passage of SB0481.

SB0481 Renters Rights and Stabilization Act of 202

Uploaded by: Cecilia Plante

Position: FAV



TESTIMONY FOR SB0481 Renters' Rights and Stabilization Act of 2024

Bill Sponsor: President Ferguson

Committee: Judicial Proceedings

Organization Submitting: Maryland Legislative Coalition

Person Submitting: Aileen Alex, co-chair

Position: FAVORABLE

I am submitting this testimony in favor of SB0481 on behalf of the Maryland Legislative Coalition. The Maryland Legislative Coalition is an association of individuals and grassroots groups with members in every district in the state with well over 30,000 members.

Evictions and non-renewals of leases have skyrocketed in Maryland. Approximately **34,000** face eviction each year. Unplanned moves and forced evictions create uncertainty and upheaval and impacts physical and emotional health. Homelessness, the most severe consequence of unstable housing, exposes individuals and families to additional risks, including exposure to the elements, violence, and health hazards that disproportionately affects vulnerable communities.

We need to limit the disruption of unplanned moves and evictions. SB0481 has this potential to lower evictions by increasing the eviction filing fee and preventing it from being passed on to renters; reducing security deposits from two months' rent; giving renters the right of first refusal; and prioritizing families with children under 5 years old and pregnant women in the state's new rental voucher program

According to its fiscal note, this legislation is expected to have the impact of lowering Maryland's highest-in-the-nation eviction filing rate, remove financial barriers to becoming housed, and create new pathways to homeownership. Each of these anticipated impacts are expected to improve economic stability for Maryland residents.

We support this bill and recommend a **FAVORABLE** report in committee.

2024.02.29 SB481 Favorable.pdf

Uploaded by: Christiana Rigby

Position: FAV



Howard County Council

George Howard Building
3430 Court House Drive
Ellicott City, Maryland 21043-4392

Christiana Rigby
Councilmember

District 3

TESTIMONY IN SUPPORT OF SB0481 Renters' Rights and Stabilization Act of 2024

February 29, 2024

Dear Chair Smith, Jr., Vice Chair Waldstreicher, and Members of the Judicial Proceedings Committee:

Thank you for the opportunity to provide testimony to the Committee. I am writing to express my strong support for SB0481, legislation that increases the eviction filing fee surcharge and prohibits the District Court from assigning the surcharge to a tenant, establishes an Office of Tenant Rights, creates new renter protections, and prioritizes the new Statewide Rental Assistance Voucher Program to assist families with children under age five.

Maryland has the highest eviction filing rate in the Country at 48.1 percent, compared to the national average of 7.3 percent. Eviction proceedings disproportionately impact low-income renters as court costs and late fees can increase housing costs by 20 percent. Our residents feel the impact of Maryland's housing shortage as 52 percent of renters are cost-burdened.

The formation of an Office of Tenant Rights would directly address concerns I have heard from residents in Howard County. Renters have few places to turn to when they need help with rodents, maintenance, leasing changes, and more. Establishing an Office of Tenant Rights gives renters, particularly cost-burdened renters, access to resources that greatly increase housing stability.

With the cost of living continuing to rise and wages remaining stagnant, now is the time to act on the state level. Local jurisdictions have already enacted similar legislation. Howard County's right to purchase legislation, [CB13-2020](#), applies to properties with five or more units and is complimentary to the proposed State legislation. SB0481 provides essential protections to renters across the State of Maryland and creates a more equitable system for evictions.

Thank you for your consideration of this legislation, and I respectfully encourage a favorable report.

Yours in service,

A handwritten signature in black ink that reads "Christiana Rigby".

Christiana Rigby

Comments on SB 481, Renters' Rights and Stabilizat

Uploaded by: Dan Reed

Position: FAV



Chair William C. Smith, Jr.
and Members, Judicial Proceedings Committee
2 East, Miller Senate Office Building
Annapolis, Maryland 21401

February 29, 2024

Dear Chair Smith and Members of the Judicial Proceedings Committee:

My name is Dan Reed and I serve as the Regional Policy Director for [Greater Greater Washington](#), a nonprofit that works to advance racial, economic, and environmental justice in land use, transportation, and housing throughout Greater Washington. **GGWash supports Senate Bill 481, the Renters' Rights and Stabilization Act**, which strengthens tenant protections at a time when many renters face rising housing costs and limited housing options.


As written, this bill would cap the security deposit required by a lease to one month's rent, making it easier for renters to access housing by reducing move-in costs. It would also ban evictions in extreme weather conditions and increase eviction filing fees, which creates a disincentive for landlords to file frivolous evictions while raising much-needed funds for rental assistance and legal aid. Additionally, the bill would create a new Office of Tenants' Rights that would publish a Maryland Tenants' Bill of Rights so that renters understand the protections afforded to them.

You will hear many times this session that Maryland has a housing shortage, and one consequence is that it's easier for landlords to take advantage of renters due to a lack of housing options. This bill would take several steps to ensure that Marylanders can find and keep stable, secure places to live. We urge the Judicial Proceedings Committee to give this bill a favorable report.

Sincerely,

A handwritten signature in black ink that reads 'Dan Reed'.

Dan Reed
Regional Policy Director

The Washington, DC region is great  and it can be greater.

UMB Clinical Law Program Testimony in Support 202

Uploaded by: Daniel Rosenberg

Position: FAV

**Clinical Law Program – University of Maryland Francis King Carey School of Law
Testimony in Support of SB0481 – FAVORABLE
Renters Rights and Stabilization Act of 2024
Before the Senate Judicial Proceedings Committee – February 29, 2024**

The Clinical Law Program at the University of Maryland Francis King Carey School of Law submits this testimony in favor of Senate Bill 0481. We expect others will testify to the profound need for the many protections, programs, and clarifications in the Renters' Rights and Stabilization Act of 2024. We would like to use our testimony as an opportunity to speak about the importance of three key provisions that are of particular interest to the Clinical Law Program. The first is the increase in the filing fee surcharge and the direction of those funds to the Maryland Legal Services Corporation contained in the proposed amendments to Courts and Judicial Proceedings § 7-301(c)(2). The second is the clear prohibition against landlords passing on these filing fees to tenants contained in the proposed amendments to Courts and Judicial Proceedings § 7-301(c)(5) and Real Property § 8-208(d)(13). The third is the creation of the Office of Tenants' Rights in what would be § 5-101 of the Housing and Community Development Article.

Increasing the surcharge in eviction cases addresses at least two important policy objectives. First, increasing the surcharge will work to encourage landlords to wait for significant rent balances to accrue before pursuing a Failure to Pay Rent case. This will allow tenants who experience brief periods of financial stress to catch up on their rent without having to appear in court. This would result in residential tenants having less need to miss work, pay for childcare, or make alternative arrangements to attend a critical court date. Second, the Bill will result in fewer cases being filed. This will have positive effects throughout the Judiciary and the legal services community. A lower number of eviction cases being filed will lessen the strain on courts and judges who are faced with a flood of eviction filings and overpacked dockets. Fewer cases being filed will also allow legal services organizations, and the Clinical Law Program, to help more tenants and focus more of their limited time on more complex cases. Residential landlords who simply want the money that is owed to them will still be able to collect that money through a traditional civil case—the cost of those filings remains unchanged. Directing that a significant portion of the funds derived from the eviction filing surcharges be disbursed to the Maryland Legal Services Corporation will also help fund a broad range of essential civil legal services work. This legislation will thus lessen the number of eviction cases filed and allow for the hiring of more MLSC-funded attorneys to counsel and defend tenants facing eviction.

The proposed amendments to Courts and Judicial Proceedings § 7-301(c)(5) and Real Property § 8-208(d)(13) address a pervasive issue in Failure to Pay Rent cases. Many residential landlords pass on case filing expenses to tenants, often regardless of whether a

judgment was entered or a case was dismissed. Although these fees are individually small, they can derail a tenant's ability to timely pay their rent and avoid future eviction filings and lead to inescapable spirals that end in unnecessary eviction. In the experience of advocates who have spent extensive time defending tenants in rent court, the assessment of these pass-through filing fees is not often explained to tenants, and tenants are not made aware that the landlord holds them responsible for the fees. Tenants will then pay what they believe to be their rent and still end up facing an eviction action for unpaid filing fees. The subsequent action will again generate filing fees that are passed on to the tenant. This can result in the amount being sought in rent court for unpaid filing fees exceeding the amount of any actual rent obligation.

A striking example of what this Act will help prevent is represented by *Dominion Management v. Reid*, 2020-014100-100231, a 2020 Failure to Pay Rent Case. In this case, a residential landlord assessed filing fees and representation expenses to a tenant, despite there being no judicial award of those expenses or judgment entered against her. Although the tenant timely paid her regular rent monthly, she was still subjected to monthly rent court filings. While these cases were often dismissed, the filing surcharges and agent fees were passed on to the tenant by her landlord and led to more Failure to Pay Rent Cases being filed against her. Only after extensive litigation did the District Court issue a rare written opinion holding that beyond not owing any rent, the tenant was in fact owed a substantial rent credit by the landlord. This case is all too common and illustrates why the provisions prohibiting landlords from passing filing surcharges on to tenants are essential to achieving the goals of the Renters' Rights and Stabilization Act of 2024. Without this key provision, landlords will be able to simply pass on the higher costs of filing eviction actions to tenants.

Finally, we support the creation of the Office of Tenants' Rights in what would be § 5-101 of the Housing and Community Development Article. That Office would fill many gaps that currently exist in the coordination of legal services resources. It would provide a central hub where tenants can obtain actionable legal information and register complaints regarding landlords. There is a significant information gap between tenants and landlords, with many tenants relying on their landlords as a primary source of information regarding housing law and available remedies. Creating and staffing a centralized office tasked with creating educational resources to tenants and operating as a point of contact for reporting housing-related violations will ensure that tenants are aware of their rights and protections, and how to contact the correct legal services organization for any problems they may face.

For the above-stated reasons, we support SB 0481, the Renters' Rights and Stabilization Act of 2024.

The testimony in support of this Bill represents the personal opinions of the faculty members of the Clinical Law Program at the University of Maryland Francis King Carey School of Law and not on behalf of School of Law, the University of Maryland, Baltimore, or the University of Maryland System.

BaltimoreCounty_FAV_SB0481.pdf

Uploaded by: Elisabeth Sachs

Position: FAV

JOHN A. OLSZEWSKI, JR.
County Executive



JENNIFER AIOSA
Director of Government Affairs

AMANDA KONTZ CARR
Legislative Officer

WILLIAM J. THORNE
Legislative Associate

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.

SB481 - Renters' Rights & Stabilization Act.pdf

Uploaded by: Erica Palmisano

Position: FAV

Dear Members of the Judicial Proceedings Committee,

I am a resident of District 12 and I am a small private landlord. I am testifying in support of Senate Bill 481, the Renters' Rights and Stabilization Act.

In our 7 years as landlords, my partner and I have weathered costly repairs, rising expenses, and literal weather, but finding and keeping tenants have been the most challenging.

Only once did we file an eviction. We spent weeks on financial and moral reckoning but paid a miniscule fee. Because it's cheaper to file than to work out a payment plan, and tenants pay back the filing fee, large landlords file evictions at 2-3 times the rate of small landlords,¹ sometimes to collect rent. No malice, only market incentives making Maryland's eviction filing rate the highest in the nation. Eviction impacts tenant's housing, employment, and health for years. Shouldn't we be discouraged from unleashing it?

After the eviction, finding new tenants took time. Little wonder when over half of tenants are rent burdened² and moving requires 3 month's rent. Looking for a median 2-bedroom apartment? At \$1,600 monthly, that's \$4,800³ before you've bought tape for boxes. Can't we do better?

This bill is a "yes" to my frustrated questions.

It changes the eviction incentives — pairing a larger filing fee with pass-through prevention. Landlords work to avoid filing and tenants won't pay for a more expensive eviction as they would if passing the fee were permitted.

This bill also lowers deposits to 1 month — an easier sum to save.⁴ 12 states and DC learned this policy helps tenants find and maintain housing.

Some landlords may claim this bill threatens my financial security. I think it will steady our income by helping tenants secure housing. It will return eviction to its rightful status as a last resort. It will incentivize a rental economy that enriches communities, including mine.

It is for these reasons that I urge you to vote in support of SB481. Thank you for your time, your service, and your consideration.

Sincerely,

Erica Palmisano

5580 Vantage Point Rd, Apt 5, Columbia, MD

¹ <https://academic.oup.com/sf/article-abstract/100/4/1774/6301048>

² <https://cnsmaryland.org/2023/04/13/maryland-rent-housing-inflation-above-national-average/>

³ <https://zillow.mediaroom.com/2022-04-06-Renters-of-color-pay-higher-security-deposits.-more-application-fees>

⁴ <https://zillow.mediaroom.com/2022-04-06-Renters-of-color-pay-higher-security-deposits.-more-application-fees>

SB 481- SUPP - JPR - Renters' Rights and Stabiliz

Uploaded by: Henry Bogdan

Position: FAV



marylandnonprofits.org

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February 29, 2024

Testimony on Senate Bill 481
Renters' Rights and Stabilization Act of 2024
House Environment and Transportation Committee

Position: Favorable

Maryland Nonprofits is a statewide association of more than 1800 nonprofit organizations and institutions. We urge you to support Senate Bill 481 and approve Governor Moore's proposed Renters' Rights and Stabilization Act of 2024 to expand protections and resources available to Maryland tenants.

Senate Bill 481 will:

- 1) establish an Office of Tenant Rights in the Department of Housing and Community Development to provide renters with information about their rights under the law and creating a Tenant's Bill of Rights;
- 2) address the highest eviction filing rate in the nation by increasing the eviction filing fee and preventing it from being passed on to renters;
- 3) create new dedicating funding for the Statewide Rental Assistance Voucher Program and the Maryland Legal Services Corporation Fund;
- 4) reduce the allowable security deposit from two months rent to one month;
- 5) create a statewide 'right of first refusal', allowing renters the right to purchase their home if being sold; and
- 6) modify the state's new rental voucher program to prioritize vouchers for families with children under the age of five and for pregnant women.

Maryland Nonprofits' broad membership includes organizations serving the entire spectrum of individual, family and community needs across our state. This perspective allows us to see better than most that resolving poverty and the social and economic inequities that burden the lives of too many Marylanders, particularly families and communities of color, requires addressing the multiple interconnected challenges that they face every day. Factors such as lack of available transportation, food insecurity, unaffordable childcare, and access to adequate health care and services, all impact the health and education of children, the opportunity to access to jobs and stable employment, the ability to build a sustaining level of wealth, and more. **Access to safe, stable, and affordable housing is essential to meeting most if not all of these needs.**



Maryland Nonprofits' mission is to strengthen organizations and networks for greater quality of life and equity.

Housing instability is a serious problem for low- and moderate-income renters. Maryland saw well over 18,000 evictions last year. Even when tenants are willing to sacrifice to pay rent increases, they are still subject to non-renewal if the landlord desires to find higher income tenants (to pay even higher rents), or to remove a tenant 'too demanding' of services that are the landlord's responsibility.

While Senate Bill 481 does not resolve all issues facing tenants in Maryland, and we will continue to support much needed increases in eviction prevention funding and services, measures like the creation of a statewide 'right of first refusal' for tenants and the others in the Renters' Rights and Stabilization Act of 2024 are substantial steps forward.

We urge you to give Senate Bill 481 a **favorable report**.

Oral Testimony.pdf

Uploaded by: Henry Gomory

Position: FAV

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.

Written testimony SB 481.pdf

Uploaded by: Henry Gomory

Position: FAV

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

February 28, 2024

Henry Gomory, Doctoral Student in Sociology, Princeton University

Lillian Leung, Doctoral Student in Sociology, Princeton University

Peter Hepburn, Assistant Professor of Sociology, Rutgers University-Newark

Matthew Desmond, Maurice P. Daring Professor of Sociology, Princeton University

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.

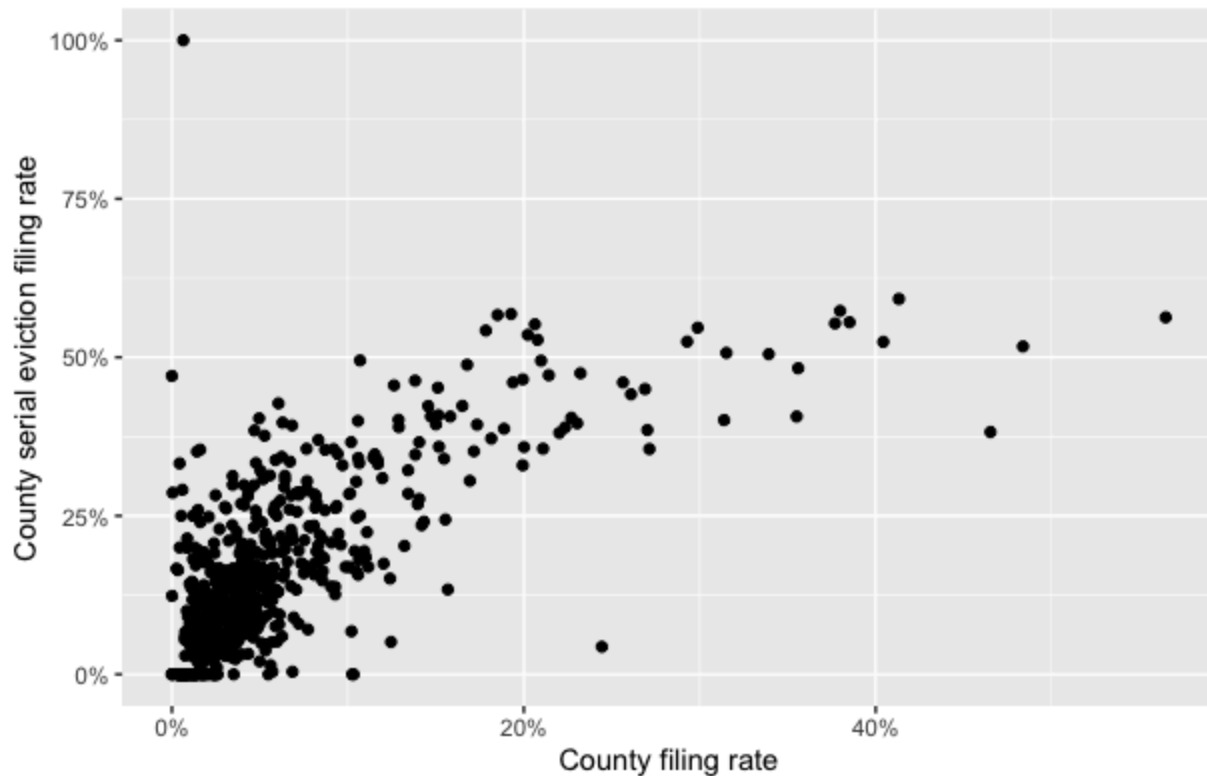
Due to the unavailability of case-level eviction filing data in the state, we cannot estimate serial eviction filing rates in Maryland. We provide statistics from nearby and similar states in Appendix B. Our analyses exploring the association between eviction filing rates and *serial* eviction filing 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

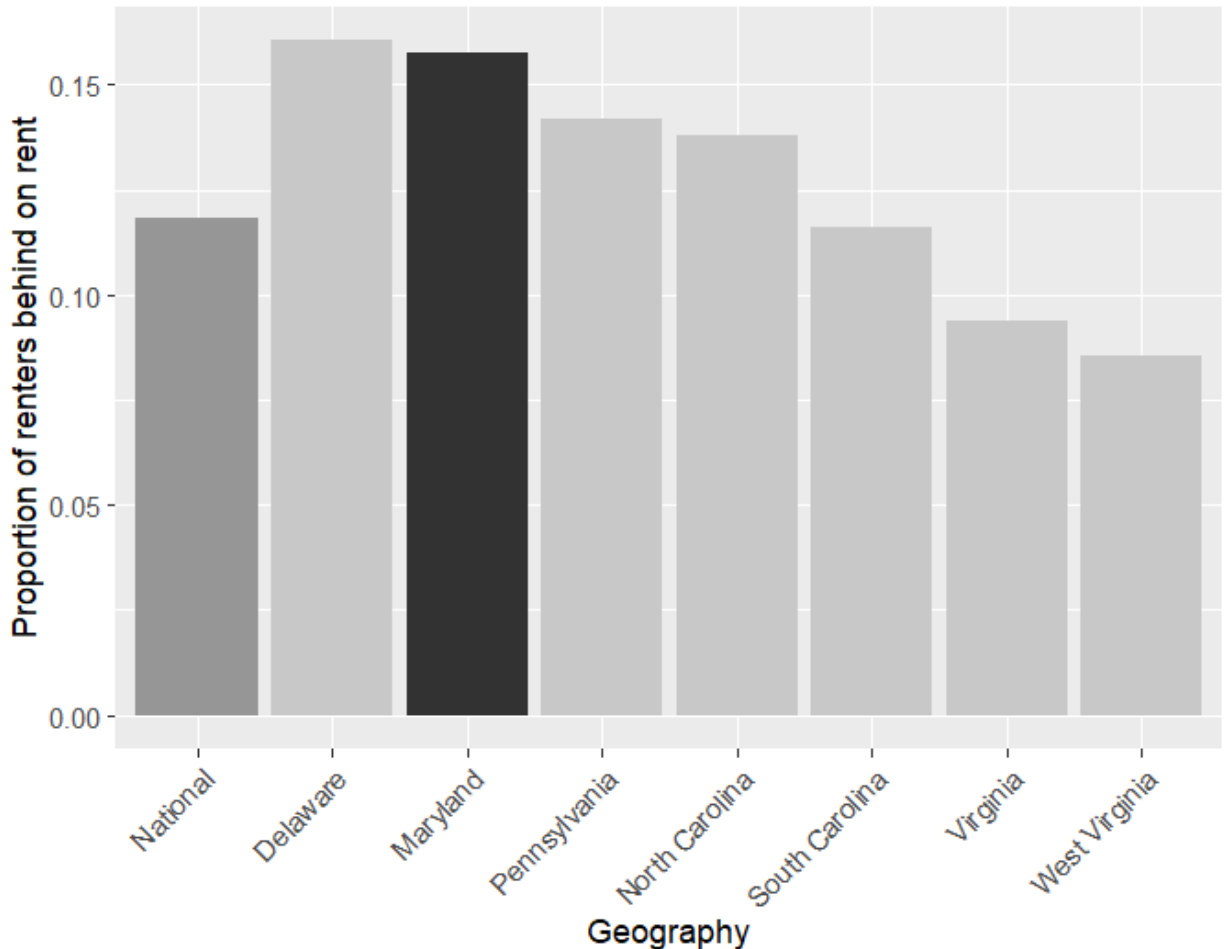
¹⁰ Megan Kimble, "The Blacklist," *The Texas Observer*, 12/9/2020; Lauren Kirchener, "Data Brokers May Report COVID-19-Related Evictions for Years," *The Markup*, 8/4/2020; Kyle Swenson, "The stimulus relieved short-term pain, but eviction's impact is a long haul," *The Washington Post*, 2/8/2021.

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

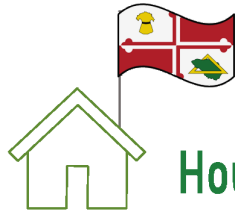
State	Average Filing Fee (2018) (\$)	State Serial Eviction Filing Rate (%)
Delaware	40	56.3
North Carolina	126	41.3
South Carolina	40	46.7
Virginia	44.5	50.7
West Virginia	50	10

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.

SB 481-Judicial Proceeding-2-28-24.pdf

Uploaded by: Jackie Eng

Position: FAV



Howard County Housing Affordability Coalition

February 28, 2024

Chairman William C. Smith, Jr.
Vice Chair Jeff Waldstreicher
Judicial Proceedings Committee
2 East
Miller Senate Office Building
Annapolis, MD 21401

Re. SB 481

Dear Senators Smith and Waldstreicher:

The Howard County Housing Affordability Coalition, representing 700-plus community housing advocates and organizations, strongly supports Governor Moore's housing initiatives, including the Renters Rights and Stabilization Act of 2024 (SB 481) legislation.

Ensuring that tenants stand on a more equal footing legally with landlords when renting and during eviction processes have too long been overlooked as a major factor in housing instability. Senate Bill 481 with its attention to prohibiting landlords from passing on court costs to tenants, limiting security deposits to one-month's rent and other measures the change in law would require will go a long way toward providing that balance.

We are privileged to stand by Governor Moore and Housing Secretary Day in their push to create more affordable housing and thus a more equitable Maryland and ask the Senate Judicial Proceedings Committee to issue a favorable report on SB 481.

Thank you for your consideration of our testimony.

Respectfully submitted,

Jacqueline Eng

Jacqueline Eng, Coordinator
Howard County Housing Affordability Coalition
jleng1747@gmail.com
410-808-9677

cc: Howard County Delegation

9770 Patuxent Woods Road, Columbia MD 21043

SB481_DHCD_SUPPORT.pdf

Uploaded by: Jake Day

Position: FAV



WES MOORE
Governor
ARUNA MILLER
Lt. Governor
JACOB R. DAY
Secretary
JULIA GLANZ
Deputy Secretary

DATE: February 29, 2024
BILL NO.: Senate Bill 481
TITLE: Renters' Rights and Stabilization Act of 2024
COMMITTEE: Senate Judicial Proceedings Committee

Letter of Support

Description of Bill:

Senate Bill 481 protects the rights of Maryland renters by increasing the filing surcharge in summary ejectment cases from \$8 to \$93 and prohibiting the surcharge from being passed on to tenants; extending the period of time between an eviction judgment and issuance of a warrant of restitution from 4 to 7 days; prohibiting evictions during defined severe weather conditions or states of emergency; limiting the maximum allowable security deposit to one month's rent; establishing an Office of Tenants' Rights within DHCD; requiring annual publication of a Tenant's Bill of Rights summarizing existing rights and protections; and creating a statewide right of first refusal for tenants of rental properties with 3 or fewer units. It also prioritizes rental voucher assistance for families with pregnant people and enhances the tracking and collection of data on eviction filings in District Court.

Background and Analysis:

In addition to rising rents and a shortage of affordable rental housing, Maryland renters face by far the highest eviction filing rate in the country, driven in large part by the lowest eviction filing fees in the country. Bringing eviction filing fees in line with the national average – and, importantly, preventing those fees from being passed on to tenants – will encourage landlords to treat filing for eviction as intended: as a tool to repossess the property, rather than as a rent collection method. The additional surcharge funds collected will be divided between two programs that are key to increasing housing stability in Maryland: the Maryland Legal Services Corporation and the state rental voucher program.

Giving tenants more time to make arrangements to pay past-due rent and prohibiting evictions during severe weather events or other emergencies will help prevent families from being removed from their homes in freezing cold, oppressive heat, or other dangerous conditions.

Currently, landlords may require a security deposit of up to two months' rent (along with the first month's rent) before entering into a lease with a prospective tenant. This means that a tenant can be required to come up with \$5,000 or more simply to move into a two-bedroom apartment in many parts of the state – an amount beyond the reach of many working families. Lowering the maximum security deposit will lower this significant barrier to finding stable housing.

Giving tenants the right of first refusal to purchase the rental properties they call home creates an additional path to homeownership and helps prevent displacement and encourage neighborhood stability.

Finally, establishing an Office of Tenants' Rights within DHCD and requiring the annual publication of a Tenants' Bill of Rights will both inform tenants of their rights and remedies under existing law, and create a means for tenants to report predatory or discriminatory actions and receive financial counseling.

DHCD Position:

The Department of Housing and Community Development respectfully requests a **favorable** report on Senate Bill 481.



MARYLAND DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
7800 HARKINS RD • LANHAM, MD 20706 • DHCD.MARYLAND.GOV
301-429-7400 • 1-800-756-0119 • TTY/RELAY 711 or 1-800-735-2258



SB0481_Jeffrey Rubin_FAV.pdf

Uploaded by: Jeffrey Rubin

Position: FAV

February 29, 2024

Jeffrey S. Rubin
Potomac, MD 20854



TESTIMONY ON SB0481 - POSITION: FAVORABLE
RENTERS' RIGHTS AND STABILIZATION ACT OF 2024

TO: Chair Smith, Vice Chair Waldstreicher, and members of the Judicial Proceedings Committee

FROM: Jeffrey S. Rubin

My name is Jeffrey Rubin. I am a resident of District 15 and a leader of Jews United for Justice, which organizes 6000 residents across many Maryland jurisdictions in support of social, racial, and economic justice campaigns. **I provide this testimony on behalf of Jews United for Justice in support of SB0481, Renters' Rights and Stabilization Act of 2024.**

Ancient Jewish texts are full of laws about keeping homes safe and secure for people who live in them. The prophet Micah understood that housing is more than a roof over one's head and that to deny people secure housing is not only harmful to them but also their families for generations to come.

Maryland has the highest eviction rate of any state in our nation, yet only ~5% of tenants facing a failure to pay rent eviction filing end up being evicted. As in other states, a portion of our population is heavily burdened by rent costs, sometimes having to pay 50% or more of their income on rent. Many of these people live paycheck to paycheck. This causes a problem for renters since paychecks or tips are spread out over the month, and not received in full at the beginning when rent is due. Nonetheless, some landlords will begin eviction proceedings if rent is not paid after the tenth of the month because our current laws reward them for it.

In contrast to landlords in other states, landlords in Maryland have a financial incentive to begin eviction proceedings prematurely. Landlords must pay a trivial \$15 eviction filing fee while tenants pay the court expenses and likely will also sacrifice wages if they take time off to attend the hearing. The net effect is that the landlord profits, while the tenant goes deeper in debt. In the end, 95% of the time tenants will not be evicted, but they will be traumatized and financially worse off. The court system is burdened, too: in fiscal year 2022, there were more than twice as many landlord-tenant filings as all other District Court civil case filings combined.

It is time to change this unjust, flawed system. SB0481 would do that by increasing the eviction filing fee to \$100, comparable to the average fee in other states. For this to work, landlords must be prohibited from passing the fee onto the tenants. Otherwise, there would be no financial incentive to end the rampant use of eviction filings for recovery of overdue rent. Instead, Maryland landlords who previously used this practice would work out an arrangement with their tenants, as landlords do in other states. Not only would this reduce the stress and financial burden of eviction proceedings on tenants, but it would also dramatically reduce the burden on court dockets while bringing in additional revenue to fund important state programs.

The adoption of SB0481 would lessen the negative emotional and financial impact on rent-burdened tenants while encouraging landlords to recover overdue rent through less exploitative means. Additional provisions of the bill also are meritorious. **On behalf of Jews United For Justice, I respectfully urge this committee to return a favorable report on SB0481.**

SB481_JoShifrin_FAV.pdf

Uploaded by: Jo Shifrin

Position: FAV

SB481_JoShifrin_FAV

Date of Hearing: February 29, 2024

Jo Shifrin

Bethesda, MD 20817

TESTIMONY ON SB 481 - POSITION: FAVORABLE

Renters' Rights and Stabilization Act of 2024

TO: Chair Will Smith, Vice Chair Jeff Waldstreicher and members of the Judicial Proceedings Committee, and
Chair Brian Feldman, Vice Chair Cheryl Kagan, and members of the Education, Energy, and Environment Committee

FROM: Jo Shifrin

My name is Jo Shifrin. I am a resident of District 16. I am submitting this testimony in support of SB 481, Renters' Rights and Stabilization Act of 2024.

I have been a resident of District 16 for about 10 years. Jewish values inform my life and my advocacy. Having a home is one of the values most written about in Jewish texts. The need for a structure, a place to live with one's family, is critical for one's physical, emotional, and spiritual well being.

The Renters' Rights and Stabilization Act of 2024 will help those in Maryland who can not afford to own a home and must rely on the goodness of landlords to rent a place to live. This bill will:

- Limit the maximum amount of security deposit a landlord can charge to one month's rent
- It extends the time a tenant is given to pay back rent and late fees before after the Court makes a judgment of failure to pay rent in favor of the landlord
- Increases the lowest-in-the-nation filing fee that landlords must pay to the Court to initiate a judgment against a tenant for failure to pay rent or tenant holding over (also known as just cause eviction) from \$8 to \$93
- This will generate new funds that will be split between the Maryland Legal Services Corporation and funding for the Department of Housing and Community Development and other public housing agencies
- It will alter priorities for these housing agencies to focus financial assistance on families with young children or a pregnant individual.
- Establish an Office of Tenants' Right to ensure tenants have access to educational materials to exercise their rights; provide information so that tenants can report violations of their rights; provide information on how tenants can obtain financial counseling and

notify authorities when they are dealing with housing discrimination or other unfair or illegal housing practices and

- Give tenants the right of first refusal so that they may purchase the property

The net effect of the bill will be to lower Maryland's eviction filing rate, remove financial barriers to be housed, and create new pathways to homeownership, which will improve the economic stability of many Marylanders.

I strongly support this bill and respectfully urge both of these committees to return a favorable report on SB 481.

Written Testimony SB 481.pdf

Uploaded by: Jordan Jekel

Position: FAV

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.

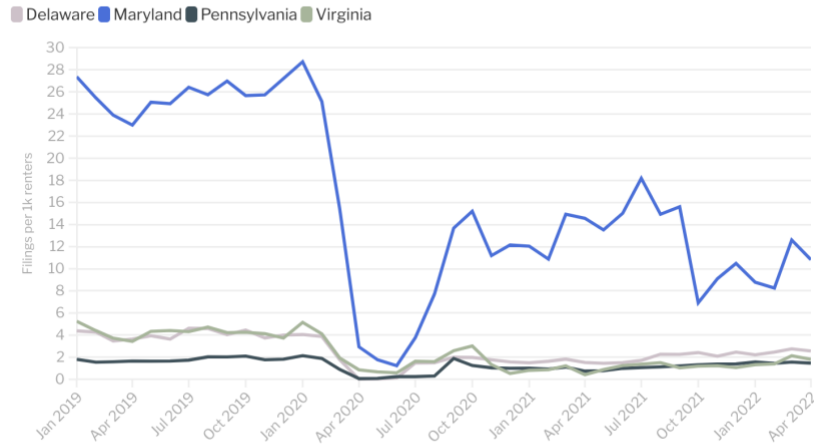


Chart and analysis: Nick Thieme • Source: Maryland Judiciary for Maryland, Legal Services Corporation for all other states

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>.

SB481 - CASA Written Testimony.pdf

Uploaded by: Jose Coronado Flores

Position: FAV



Testimony in SUPPORT of SB481
Renters' Rights and Stabilization Act of 2024
Senate - Judicial Proceedings Committee
Jose Coronado-Flores , On Behalf of CASA

February 29th, 2024

Dear Honorable Chair Smith and Members of the Committee,

CASA is pleased to offer favorable testimony in support of **SB481**.

SB481 is important legislation that will standardize renter's rights, stabilize security deposits, and prevent evictions during extreme weather events. CASA's services and advocacy includes tenant organizing. Throughout the state, there are apartment communities where tenants suffer deplorable conditions, transgressions of personal privacy, and unjust treatment by property owners and managers. People fighting for dignified housing and treatment occurs from Montgomery County to Baltimore City, and many other jurisdictions in the state. However, the "rights" they have as tenants varies from county to county.

For example, Montgomery County has a strong tenant-landlord handbook that outlines the things tenants are entitled to when entering a lease as well as what a landlord can demand from a tenant. This is a powerful tool that outlines notification requirements to enter dwellings and rights that tenant associations hold. Hence, fighting an unjust entry into a dwelling would be easier in Montgomery County compared to other places. This is not just a hypothetical as we see how tenant advocacy varies from county to county. Creating a unified set of renter's rights that are valid across the state will reduce ambiguity and increase confidence among renters to demand what is right.

Furthermore, the Renter's Rights and Stabilization Act limits security deposits to one month rent, which lowers the cost of entry to housing for MD's lower-income residents; this is the difference between someone being able to sign a lease or having to delay to accumulate the required funds. Our members live check to check, so having more than two months rent can seem like an insurmountable barrier. Lastly, CASA supports that this legislation directs funds to the Maryland Legal Services Corporation, a partner in our access to counsel work, which helps provide legal representation for renters.

For these reasons, CASA urges a favorable report.

Jose Coronado-Flores
Research and Policy Analyst
jcoronado@wearecasa.org, 240-393-7840

SB 481_MD Center on Economic Policy_FAV.pdf

Uploaded by: Kali Schumitz

Position: FAV

Marylanders Need Stronger Renter's Rights

Position Statement Supporting Senate Bill 481

Given before the Senate Judicial Proceedings Committee

SB 481 seeks to assist Maryland's most vulnerable renters by addressing housing instability and predatory rental practices. **The Maryland Center on Economic Policy supports Senate Bill 481 because it will empower Maryland's most vulnerable renters.**

There is a significant need for each component of SB 481 that advances the housing security of Maryland renters including:

- **Reducing the maximum allowable security deposit to one month's rent.** Too often renters have to move on very short notice to escape from uninhabitable housing or to take advantage of a new job. There are numerous barriers to this move. Lowering the maximum allowable security deposit from two months' rent to one month's rent will help address the security deposit barrier to such a move and increase housing mobility for thousands of families.
- **Creating a new Office of Tenants' Rights and collecting better eviction data.** Maryland renters need additional education resources to help them learn about their rights and responsibilities. And the state can better evaluate and adjust its policies with better eviction data.
- **Standardizing when evictions are paused** for inclement weather or other emergencies.
- **Providing greater homeownership opportunities.** The right of first refusal, which has existed in Baltimore City for decades, would help increase access to homeownership. Technical and financial support will be needed for lower income households, but SB 481 lays the foundation.
- **Increasing the court filing surcharge to deter serial eviction filing.** Raising the eviction filing surcharge – *without passing it onto the tenant* – would further disincentivize serial filing. Maryland's uniquely high serial eviction filing rate means that prospective landlords will turn down the applications of families who may be desperate to move but have dozens of rent complaint filings on their rental history. However, **it is essential that the committee maintains the current language in the bill that stops the court and landlords from passing this increased surcharge onto tenants** for the following reasons:
 - Passing the fee onto tenants would more than double the total amount that tenants must pay to "pay and stay" and avoid eviction and homelessness. To "pay and stay" from a rent court judgment, the tenant must pay court costs. If the bill is amended to allow a pass through of the increased fee, this means doubling the total amount a resident must pay to remain in their home (from \$60 to \$145; or \$80 to \$165 in Balt. City). Some families will be unable to pay the fee –

especially very low income, subsidized tenants whose rent is often only \$50/month – and will be evicted because of the increased fee.

- Allowing a fee pass-through defeats a major purpose of the bill, which is to disincentivize serial eviction filing. If the landlord can recover the increased surcharge, it will have little effect on landlord eviction filing rates. This additional proposed surcharge should instead serve as an incentive for the landlord to attempt to work with the tenant, accept a payment plan, and connect the tenant to social services if needed, instead of skipping straight to an eviction filing each month.
- Tenants still have an incentive to pay the rent in a timely fashion because landlords can still assess a 5% late fee and court filing fee – just not this increased surcharge.
- If a landlord truly wants to evict a tenant who is chronically late, then after three judgments the landlord can foreclose on the right to redeem (i.e., no “pay and stay”). There is no need for the landlord to continue seeking judgments and passing on the increased surcharge.
- When fully funded, Access to Counsel in Evictions will assist annually tens of thousands of tenants who have a defense, but it does not solve Maryland’s significant affordability gap: There are 193,819 extremely low-income renters, paying more than 50% of their income in rent. These households are one paycheck or expense away from facing an eviction.

While some of the bill’s proposals are new, the eviction surcharge portion of the bill is not. Maryland has the lowest eviction filing in the nation, with a national average of \$109. It is the low-cost filing fee that is the driving force behind the state having the highest in the country eviction filing rates. SB 481 will increase the eviction filing fee to bring the state in line with the national average, raise revenue for essential housing stability programs, and reduce the impact of eviction filings on Maryland families. This is crucial as the state’s eviction filing rate is more than 6x the national average and more than 2x the next highest state.

SB 481 is being introduced at a very important time in Maryland as housing prices are soaring due to inflation. However, even before the pandemic and the resulting rise in inflation, Maryland had an affordable housing problem. According to the Maryland Housing Needs Assessment, nearly one-third of all Maryland households are experiencing housing cost burdens.ⁱ Of these, 67% are homeowners while 33% are renters. Among renters, 48% of those households are cost burdened, and among low-income households, 76% are severely cost-burdened.

Contributing to the inflated housing cost is the fact that Maryland is experiencing a housing shortage of 96,000 units and this number is expected to grow. The latest Out of Reach report from the National Low Income Housing Coalition lists Maryland as the ninth least affordable state for renters.ⁱⁱ To afford a modest two-bedroom apartment in the state, a family must earn \$28.93 an hour or \$60,183 annually. A minimum wage worker in Maryland would have to work 78 hours per week year-round. When families struggle to pay rent, they face greater risks of instability, eviction, and even homelessness, which research links to food insecurity, poor health, lower cognitive scores and academic achievement, and more frequent foster care placement among children. Seniors and the disabled, on fixed incomes, cannot live safely without affordable housing and supportive services.

Unaffordable and unstable housing perpetuates racial, economic and health disparities in our state. If we want to close disparities between white, black and brown Marylanders, we must begin with housing. We cannot write a prescription for housing but that is what many in our state need to stabilize their health. SB 481 is a step in the right direction because affordable housing and non-predatory housing practices is a foundation for all

Marylanders. For these reasons, **the Maryland Center on Economic Policy respectfully requests the Judicial Proceedings Committee to make a favorable report on Senate Bill 481.**

Equity Impact Analysis: Senate Bill 481

Bill Summary

SB 481 creates an Office of Tenant Rights in the Department of Housing and Community Development responsible for providing renters with information about their rights under law and creating a tenant's bill of rights; attempts to lower evictions by increasing the eviction filing fee and preventing it from being passed on to renters; mandating the reduction of security deposits from two months' rent to one month; gives renters the right to purchase their home if it's being sold; prioritizes families with children under 5 years old and pregnant women in the state's new rental voucher program. SB 481 seeks to assist Maryland's most vulnerable renters by addressing housing instability and predatory rental practices.

Background

Maryland is experiencing a shortage of 96,000 housing units and that figure will only grow without an intentional plan to address root causes. Over the last 10 years, Maryland has significantly underproduced housing which has added to this shortage at an average rate of 5,600 units per year. As a state and nation, we are still living with the lingering effects of the 2008 financial and housing crisis. Pandemic-era inflation and the associated rise in interest rates have only worsened this problem - making new housing construction even more expensive.

This supply shortage is having direct impacts on Marylanders' pocketbooks as the pathway to homeownership is becoming increasingly out of reach. Between October 2021 and October 2023, the household income needed to afford the median-priced Maryland home has doubled, jumping by a staggering 56%, from \$85,000 to \$132,000. And this impact is not specific to potential buyers as more than 52% of Maryland renters are cost-burdened, spending 30% or more of their wages on housing-related costs. A quarter of renters are spending 50% or more on housing-related costs. SB 481 is a step in the right direction to assist Marylanders with unaffordable housing costs and housing instability.

Equity Implications

When families struggle to pay rent, they face greater risks of instability, eviction, and even homelessness, which research links to food insecurity, poor health, lower cognitive scores and academic achievement, and more frequent foster care placement among children. Seniors and the disabled on fixed incomes cannot live safely without affordable housing and supportive services.

Unaffordable and unstable housing perpetuates racial and economic and health disparities in our state. If we want to close disparities between white and black and brown Marylanders, we must begin with housing. We cannot write a prescription for housing but that is what many in our state need to stabilize their health. We must also ensure that renters are not being subjected to unfair and predatory rental practices. Because Black and Brown people are more likely to be renters, they often feel the brunt of both the good and bad rental policies such as repeated eviction filings, increase security deposits and sub-standard housing living conditions.

Impact

SB 481 will likely **improve racial, health and economic equity** in Maryland.

-
- ⁱ Maryland 10 Year Housing Assessment <https://dhcd.maryland.gov/Documents/Other%20Publications/Report.pdf>
- ⁱⁱ National Low Income Housing Coalition <https://nlihc.org/oor/state/md>

SB 481 - Renters Rights and Stabilization Act - SE

Uploaded by: Katherine Davis

Position: FAV



SB 481 – Renters’ Rights and Stabilization Act of 2024
HEARING BEFORE THE JUDICIAL PROCEEDINGS COMMITTEE
FEBURARY 29, 2024 at 1:00 PM
POSITION: SUPPORT

The Pro Bono Resource Center of Maryland (“PBRC”), an independent 501(c)(3) non-profit organization, is the statewide thought leader and clearinghouse for pro bono civil legal services in Maryland. As the designated pro bono arm of the MSBA, PBRC provides training, mentorship, and pro bono service opportunities to members of the private bar and offers direct legal services to over 6,200 clients annually.

In May 2017, with a grant from the Maryland Judiciary’s Access to Justice Department, PBRC launched the Tenant Volunteer Lawyer of the Day (“TVLD”) Program in Baltimore City Rent Court to provide day-of-court legal representation to tenants who appear unrepresented for their proceedings. Since then, thanks in large part to grants from the Maryland Legal Services Corporation (MLSC), PBRC’s Courtroom Advocacy Project staff and volunteer attorneys have represented thousands of tenants in both Baltimore City and Baltimore County in multiple types of legal actions that could result in eviction. PBRC’s Home Preservation Project has also assisted nearly 800 homeowners at risk of losing their homes to tax sale. **An overarching goal of both Projects is to promote and preserve stable housing and communities for low-income families and individuals in Maryland. PBRC supports SB 481 because it represents a vital step toward the achievement of this goal.** In addition to offering a mechanism for maintaining funding through MLSC for Access to Counsel in Evictions and other vital legal services programs, this Bill provides much-needed education and safeguards for tenants, helps to level the playing field and serves as a course correction for the unequal relationship that is in play between landlords and tenants, especially during a housing crisis such as that being experienced in Maryland today.

As part of Access to Counsel in Evictions, PBRC works regularly with tenants both in and out of court to ensure that they know their rights and understand the need to come to court and the benefit of exercising their right to access counsel for eviction-related matters. Establishing an Office of Tenants’ Rights within the Department of Community Development represents an excellent way to augment this work and help ensure stable housing for tenants throughout the state.

Raising the surcharge for eviction filings is a long-overdue course correction and a commonsense policy that is necessary to bring Maryland in step with surrounding states, all of whom have significantly higher filing fees for eviction-related actions and significantly lower filing rates. The current \$8 surcharge for filing a summary ejection action in Maryland renders this type of action one of the cheapest and easiest civil cases to file, yet the potential consequences for those against whom these actions are filed are enormous.

PBRC attorneys have seen tenants at risk of eviction for judgments for as low as \$100.00 and have worked with clients who have been summoned to court monthly based upon one missed payment, creating a cycle of late fees and court costs from which they cannot escape. Last summer a PBRC staff attorney represented a client whose landlord filed three Failure to Pay Rent actions against her despite an on-going rent escrow action, which the tenant eventually won. These actions were filed while the tenant was dutifully paying her rent into a court account, yet she had to come to court each month to ensure that they were dismissed. Another staff attorney worked with a young disabled client who arrived at court with receipts demonstrating on-time payments. Her case was dismissed, but she had to spend all day at court because the city mobility transportation she had arranged had a scheduled pick-up time of 4:00 PM.

Another PBRC client, a construction worker who had lived in his home for over six years, was summoned to court for months in a row by an unlicensed landlord. He was able to get each case dismissed and continued paying his rent, but nonetheless accumulated court fees and suffered financially from having to take time off work. Yet another elderly client came to court with a summons for four months' rent and explained that she had been paying through her portal any time a bill popped up but could not seem to get caught up. She had also previously been summoned to court for each month individually but had succeeded in getting each case dismissed. A review of her ledger, however, revealed that her landlord had assessed court costs and late fees each month, even after dismissing each case.

All of these cases, and countless more, are symptoms of a statutory scheme that encourages multiple and sometimes sloppy filings, to the great detriment of primarily low-income families and individuals whose very housing is at stake. Raising the surcharge will not fix the issue but will bring Maryland more in line with surrounding states and help to alleviate the burden on the Maryland court system caused by unnecessary filings. Landlords will be more likely to ensure the validity of a case prior to filing. Where rent is owed, landlords will be more likely to work with tenants to arrange for payment before turning to the courts as a cheap collection method.¹

Furthermore, the increased surcharge in summary ejectment, tenant holding over, and breach of lease cases will funnel much-needed funds to MLSC to help fund work like PBRC's Courtroom Advocacy and Home Preservation Projects, which assist low-income Marylanders with state tax sale issues, advance planning, foreclosure and eviction prevention. We also work in the immigration realm, representing unaccompanied immigrant children who have been separated from their families. These projects incorporate extensive volunteer service components through community, courthouse and remote clinics that offer essential legal help to thousands of clients in need. PBRC also recruits, trains, and engages hundreds of pro bono attorneys in the myriad of civil legal areas that impact low-income individuals and matches them with other partner agencies. **MLSC funding comprised 59% of PBRC's budget in fiscal year 2023. Thus, much of this work would not be possible without continued funding through MLSC.**

While PBRC supports SB 481, PBRC would caution this Body against any amendments that could allow the increased surcharge to be passed through to the tenants. If that is allowed, there would no longer be a disincentive for landlords to file serial eviction actions and the benefits related to judicial economy would be lost. Rather, the extra charge would be borne by those least able to handle it. Low-income tenants would fall farther behind and would have a tougher time exercising their right to redeem their tenancy post-judgment. **PBRC would oppose any amendments that would allow this surcharge to be passed onto the tenants.**

PBRC urges a FAVORABLE report on SB 481.

Please contact Katie Davis, Director of PBRC's Courtroom Advocacy Project, with any questions.
kdavis@probonomd.org • 443-703-3049

¹ A comprehensive nation-wide study of the correlation between filing fees and eviction filings found that "eviction filing fees...have a large effect on eviction practices... Filing fees affect not only the rate but also the purpose of filing, as lower fees make landlords more likely to file serially against the same tenants as a form of rent collection." The Racially Disparate Influence of Filing Fees on Eviction Rates, by Henry Gomory, Douglas S. Massey, James R. Hendrickson, and Matthew Desmond (*Housing Policy Debate*, May 26, 2023).

Health Care for the Homeless - 2024 FAV SB 481 - R

Uploaded by: Kevin Lindamood

Position: FAV

**HEALTH CARE FOR THE HOMELESS
TESTIMONY IN SUPPORT OF**

SB 481 - Renters' Rights and Stabilization Act of 2024

**Senate Judicial Proceedings Committee
Senate Education, Energy, and the Environment Committee
February 29, 2024**



Health Care for the Homeless strongly supports SB 481, which will help end and prevent homelessness by making a number of key reforms to enable Marylanders to obtain housing and keep them stably housed.

Health Care for the Homeless Supports SB 481 Because It Helps Move People from Crisis to Stability

Health Care for the Homeless is Maryland’s leading provider of integrated health services and supportive housing for individuals and families experiencing homelessness. Since 1985, we have grown from one small clinic in the heart of the city, to 240 employees across multiple clinic sites (downtown, West Baltimore, Baltimore County) and a mobile clinic providing care partner sites throughout the Greater Baltimore area. This expanded reach, and a diversity of health disciplines on staff, exemplifies our approach: we meet people where they are—geographically and emotionally—with *easy access to the health care, supportive services and resources necessary to move from crisis to stability*.

From infants to aging adults, Health Care for the Homeless serves about 10,000 clients annually, with care and supportive services that include vital screenings, treatment for chronic illness and addiction, behavioral health therapy, immunizations, dental care, public benefits assistance and more. We take extra efforts to pursue a personalized care model that includes robust coordination and collaborative teams consisting of primary care clinicians, nurses, counselors and behavioral health therapists. Each team works as a single, cohesive group to develop goals and a care plan specific to the needs and circumstances of each client—with the *ultimate goal of helping people regain housing*.

The reforms as contemplated by SB 481 will not only assist our staff in ensuring the clients we serve can regain housing and remain stably housed, but it will help vulnerable Marylanders throughout the state.

With the Cost of Housing Already Too High, Renters Need Reforms to Keep Them Stably Housed

Low income relative to cost of living combined with a dire lack of affordable housing creates conditions where ensuring renters can stay housed is imperative to the lives of Marylanders. Maryland is the 10th most expensive state in the country, with a housing wage of \$31.08 for a two-bedroom apartment at fair market rent.¹ With the State’s minimum wage, that means a person would have to work 79 hours per week to afford a two-bedroom apartment.²

Given this landscape, enacting broad policy reforms to ensure that renters can obtain and stay housed is imperative given that if they are evicted and become unhoused, it would be immensely difficult to find

¹ National Low Income Housing Coalition, *Out of Reach* (2023), Maryland data, available at <https://nlihc.org/oor/state/md>; see also [Maryland | National Low Income Housing Coalition \(nlihc.org\)](https://nlihc.org/oor/state/md).

² Id.

affordable housing. One such policy reform in this bill is to reduce the allowable security deposit for renters in Maryland from two month's rent to one month's rent. This change closes the "first and last month's rent" loophole by limiting the tenant costs to occupy the premises to the security deposit and first month's rent. Currently, a tenant is often required to produce the equivalent of two months' rent as a security deposit and an additional month's rent as the first month's payment, totaling 3 months rent to become housed or move. In 2022, the median rent for a two-bedroom apartment in Maryland was \$1,600, meaning a tenant can be required to come up with nearly \$4,800, or more, to move in.³ According to the Federal Reserve, the median American family has about \$5,300 accessible in savings accounts,⁴ an amount that would be nearly, if not completely, used up to pay a two-month security deposit and the first month's rent on a two-bedroom apartment in Maryland. The typical renter has only about \$3,400 in total savings.⁵ For many renters, even those with incomes at or above the area median, this places a new home out of reach. We also know that 52% of renters are spending 30% or more of their income on housing related costs. According to the National Low Income Housing Coalition 2023 GAP Report, there are more than 200,000 Maryland households making less than 30% of AMI.⁶ If a renter has budgeted to spend 30% of their income on rent,⁷ they would be required to come up with 90% of their monthly earnings to simply become housed.

Given that rent in Maryland is far too high with the relative income, it is unsurprising that security deposits have been categorically cost-prohibitive to many renters. Reducing the amount of allowable security deposit by half will be immensely helpful in enabling Marylanders to obtain housing in the first place. Affordable security deposits can therefore help end an individual or family's experience of homelessness.

Homelessness and Health are Inextricably Linked

Homelessness is a housing and health crisis. Homelessness creates new health problems and exacerbates existing ones. Where someone who is stably housed could easily manage something like diabetes or hypertension, our providers see every day that homelessness makes caring for these things exponentially harder and sometimes impossible. There is ample data to show that housing improves health.⁸

It is no surprise that the mortality rates among people experiencing homelessness are substantially higher than those of their housed counterparts – the life expectancy of those housed residents living in the

³ Numbers from the most recent report of the Maryland Interagency Council on Homelessness show an even grimmer picture. Data from the report showed that the average rent for a two-bedroom unit in Maryland was \$1,700 per month, while the average amount that households at 30% AMI have available for rent is \$708. The Maryland Interagency Council on Homelessness (ICH), available at <https://dhcd.maryland.gov/HomelessServices/Documents/2021AnnualReport.pdf> (released 2022), page 8. In accordance with Housing and Community Development Article § 4-2101, the Interagency Council on Homelessness (ICH) is staffed by the Department of Housing and Community Development (DHCD) and includes a number of diverse community stakeholders as its membership.

⁴ U.S. News, The Average Savings Account Balance (Feb. 2024), available at [The Average Savings Account Balance | Banking Advice | U.S. News \(usnews.com\)](https://www.usnews.com/story/money/banking/average-savings-account-balance).

⁵ Zillow, Renters of color pay higher security deposits, more application fees, available at [Renters of color pay higher security deposits, more application fees - Apr 6, 2022 \(mediaroom.com\)](https://www.zillow.com/research/renters-of-color-pay-higher-security-deposits-more-application-fees-2022/).

⁶ <https://nlihc.org/gap/state/md>

⁷ Renter households spending more than 30% of their income on housing costs and utilities are considered "cost burdened," and those spending more than half of their income are "severely cost burdened." [Maryland | National Low Income Housing Coalition \(nlihc.org\)](https://www.nlihc.org/)

⁸ For instance, a recent report on the outcomes of the Maryland Medicaid supportive housing waiver program, known as Assistance in Community Integration Services (ACIS) showed "[s]tatistically significant decline in the average number of ED visits, avoidable ED visits, and inpatient admissions for ACIS participants in the year following enrollment in the program." See The Hilltop Institute UMBC, *Summary Report: Assistance in Community Integration Services (ACIS) Program Assessment, CY 2018 to CY 2021* (Sept. 15, 2023), available at [Summary Report: ACIS Program Assessment \(hilltopinstitute.org\)](https://www.hilltopinstitute.org/).

wealthiest Maryland counties is 82, whereas for people experiencing homelessness, the life expectancy is just 48 years of age. Conservatively, over 23,000 people in Maryland experienced homelessness in the given year.⁹ More than 2,000 residents in Baltimore City alone experience homelessness on any given day. The Maryland Interagency Council on Homelessness rightly recognizes that homelessness is caused, in large part, by the lack of affordable housing available to Maryland residents.¹⁰

SB 481 Will Prevent Homelessness

SB 481 makes necessary reforms to help ensure people regain housing and remain stably housed. Eviction prevention efforts as contemplated by this bill will help ensure people avoid homelessness by stably remaining in their homes. Maryland has the highest eviction filing rate in the nation at 48.1% compared to the national average of 7.3%. Key eviction prevention efforts in this bill are imperative as a part of the State's homelessness prevention efforts. Building upon an existing right for administrative judges to stay an eviction in extreme weather conditions, this bill will bar evictions in extreme weather or other dangerous conditions.

Additionally, this bill will increase the eviction filing fee surcharge from \$8 to \$93, thereby increasing the total cost of filing an eviction from \$15 to \$100. This will decrease eviction filings. Research on the impact of filing fee increases has demonstrated that eviction judgment rates decrease when filing rates decrease, and not vice versa. Importantly, the bill prohibits landlords from passing through the costs of the fee to tenants through redemption or adjudication. If the fees could be passed on to tenants, the purpose of the bill is eviscerated. There would no longer be any disincentive for the landlord to file an eviction action if the landlord or the court can pass that surcharge onto the tenant. Further, any additional fees on tenants, even "minor" increases, would have significant effects on renters and housing stability in Maryland.

As referenced above, reducing the allowable security deposit for renters in Maryland from two month's rent to one month's rent is a key component of the bill. Reducing the barrier of security deposits will enable people to secure housing in the first place. With the housing stock and income landscape as it is, the ending of potential homelessness or housing instability through this initiative is a critical aspect of renter reforms in Maryland.

Compliance with fair housing law is another vital aspect of ensuring that individuals and families can stay stably housed or aren't denied housing. The bill establishes an Office of Tenant Rights (OTR), which would, among other things, provide access to resources to help tenants understand and exercise their rights under Maryland law and promote freedom from discrimination or other unfair or illegal housing practices. Importantly, the OTR would implement fair housing testing to ensure compliance with fair housing laws and identify landlords out of compliance with state, federal and local laws and facilitate referral to appropriate law enforcement. People cannot stay stably and safely housed without compliance with and enforcement of fair housing laws. We applaud the Governor for recognizing the importance of a housing situation that is free from discrimination.

Only housing solves homelessness. We must remove barriers to safe and stable housing. SB 481 will make huge strides towards ensuring Marylanders obtain housing and remain stably housed. We strongly urge a favorable report.

⁹The 2020/2021 report from The Maryland Interagency Council on Homelessness (ICH) <https://dhcd.maryland.gov/HomelessServices/Documents/2021AnnualReport.pdf>. We believe, however, the number of people experiencing homelessness is closer to 30,000 in Maryland.

¹⁰ Id. at pg. 8, available at <https://dhcd.maryland.gov/HomelessServices/Documents/2021AnnualReport.pdf>.

Health Care for the Homeless is Maryland's leading provider of integrated health services and supportive housing for individuals and families experiencing homelessness.

We deliver medical care, mental health services, state-certified addiction treatment, dental care, social services, housing support services, and housing for over 11,000 Marylanders annually at sites in Baltimore City and Baltimore County.

Our Vision: Everyone is healthy and has a safe home in a just and respectful community.

Our Mission: We work to end homelessness through racially equitable health care, housing and advocacy in partnership with those of us who have experienced it.

For more information, visit www.hchmd.org.

SB 481_Consumer Protection Division_Support_2024_F

Uploaded by: Kira Wilpone-Welborn

Position: FAV

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CONSUMER PROTECTION DIVISION

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February 28, 2024

To: The Honorable William C. Smith, Jr.
Chair, Judicial Proceedings Committee

From: Kira Wilpone-Welborn, Assistant Attorney General
Consumer Protection Division

Re: Senate Bill 481 – Tenants' Rights and Stabilization Act of 2024 (SUPPORT)

The Consumer Protection Division of the Office of the Attorney General (the "Division") supports Governor Moore's Senate Bill 481 that seeks to promote additional protections, funding, and opportunities for tenants, and to put systems in place to help decrease tenant displacement and preserve single-family residential units that are affordable to low- and moderate-income households. In particular, Senate Bill 481 seeks to expand tenants' rights and protections, and increase funding, by: (1) increasing the eviction filing fee in Maryland and distributing the additional funds to Maryland's Access to Counsel Program and Statewide Rental Assistance Voucher Program; (2) decreasing the maximum security deposit a landlord is permitted to collect to one month's rent; and (3) creating an Office of Tenants' Rights housed in the Department of Housing and Community Development. Additionally, Senate Bill 481 seeks to decrease tenant displacement and preserve affordable housing for low- and moderate-income households by mandating a tenant's right of first refusal. Landlord-Tenant complaints are the single largest number of complaints the Division's Mediation Unit receives each year. The proposed components of Senate Bill 481 would address many of the complaints the Division receives.

Filing Fee Increase:

First, Senate Bill 481 represents a renewed attempt to bring Maryland's eviction filing fee in line with other states and to provide needed funding for the Maryland Legal Services Corporation and the newly created Statewide Rental Assistance Program. Senate Bill 481 would

increase the surcharge assessed in failure to pay rent, breach of lease, and tenant holding over actions from \$8 to \$93. The bill would also prevent landlords or the courts from requiring tenants to cover the cost of the surcharge, which would protect tenants who are already struggling to make ends meet from having to shoulder additional financial burdens. Housing instability has persisted in Maryland since well before the pandemic¹ and continues to foist the associated negative effects onto communities of color.²

Importantly, Senate Bill 481 would distribute the proceeds of any filing fee increase to two housing programs recently adopted by the Legislature: (1) the Access to Counsel in Evictions Program, and (2) the Statewide Rental Assistance Voucher Program. Maryland was the second state in the Nation to adopt a program to provide legal representation to qualified tenants in eviction court.³ Likewise, the Legislature in 2023 adopted a Statewide Rental Assistance Voucher Program to provide access to affordable housing to families languishing on federal subsidized housing waitlists. While the Legislature has provided initial funding for each program, the Access to Counsel Task Force has recognized that “[w]ithout question, the success and effectiveness of the Program hinges on a continuous and stable source of funding.”⁴ The funding structure proposed by Senate Bill 481 would provide both programs with stable funding that is necessary for their continued success in serving the most vulnerable of Maryland’s tenants.

Security Deposit Decrease to One Month’s Rent:

Presently, a landlord may not require a tenant to pay a security deposit that exceeds the equivalent of two months’ rent per dwelling unit, regardless of the number of tenants. Md. Code Ann., Real Prop. §8-203(b). Senate Bill 481 would reduce a tenant’s security deposit liability to one month’s rent and bring Maryland in line with at least thirteen other states,⁵ including Maryland’s neighbors -- Washinton D.C. and Delaware. Reducing the maximum amount a

¹ See Joint Center for Housing Studies of Harvard University, “America’s Rental Housing 2024,” at 18-19 (2024) available at

https://www.jchs.harvard.edu/sites/default/files/reports/files/Harvard_JCHS_Americas_Rental_Housing_2024.pdf (“In total, [since 2012], the market lost 6.1 million units renting for less than \$1,000, the maximum amount affordable to a household earning \$40,000 per year.”).

² It is well documented that the majority of tenants evicted are Black mothers with minor children. See Public Justice Center, “Justice Diverted: How Tenants are Processed in the Baltimore City Rent Courts,” (December 2015); and Matthew Desmond *et al.*, “Forced Relocation and Residential Instability among Urban Tenants,” 89 Soc. Serv. Rev. 227 (2015).

³ House Bill 18, available at

<https://mgaleg.maryland.gov/mgaweb/Legislation/Details/HB0018?ys=2021rs>.

⁴ Access to Counsel Task Force, “Report of the Access to Counsel Taskforce” at 45 (January 2024), available at https://www.marylandattorneygeneral.gov/A2C_Docs/2024_ACE_TF_Report.pdf.

⁵ Alabama, Ala. Code § 35-9A-201(a); California, Cal. Civ. Code § 1950.5(c); Delaware, 25 Del. C. § 5514(a)(2), (a)(3); Washington D.C., D.C. Mun. Regs. tit. 14, § 308.2; Hawaii, HRS § 521-44(b); Kansas, K.S.A. 58-2550(a); Massachusetts, M.G.L. c. 186, § 15B(1)(b)(iii); Nebraska, Neb. Rev. St. § 76-1416(1); New Hampshire, N.H. RSA §§ 540-A:6(I)(a); New York, N.Y. Gen. Oblig. Law § 7-108(1-a)(a); North Dakota, N.D.C.C. § 47-16-07.1(1); Rhode Island, R.I. Gen. Laws § 34-18-19(a); and South Dakota SDCL 43-32-6.1.

landlord could charge as a security deposit would ease the financial burden Maryland tenants face when trying to enter new rental housing.

Office of Tenants' Rights:

Senate Bill 481 also seeks to create an Office of Tenants' Rights within the Department of Housing and Community Development. The Office of Tenants' Rights would serve as an education resource for tenants through the creation of an annual Tenants' Bill of Rights and other resources. Landlord-tenant complaints are the largest subsection of complaints the Division receives each year. The creation of additional resources for tenants to understand their rights when faced with disputes with their landlords will assist the Division in mediating and investigating the complaints it receives.

Tenant Rights of First Refusal:

Finally, Senate Bill 481 seeks to create a right of first refusal for tenants residing in residential property when the owner has received a bona fide proposed contract of sale from a third party. Providing tenants with the opportunity to purchase the residential unit they are already residing in decreases displacement and preserves housing affordability and stability within communities.⁶ In fact, the Coalition for Nonprofit Housing and Economic Development found that Washington D.C.'s tenant right of first refusal law, since 2006, has preserved 16,224 affordable housing units, reduced displacement, and improved housing conditions.⁷ The Division has consistently supported legislative efforts that increase housing affordability and community continuity. Senate Bill 481's tenant right of first refusal would provide Maryland's low- to moderate-income tenants additional avenues to affordable homeownership while reducing tenant and community disruptions.

For the reasons stated above, the Consumer Protection Division supports Senate Bill 481 and requests the Judicial Proceedings Committee provide a favorable report.

cc: Members, Judicial Proceedings Committee

⁶ See Coalition for Nonprofit Housing and Economic Development, "Sustaining Affordability" at 5 (November 15, 2023) available at <https://cnhed.org/news/cnhed-releases-comprehensive-analysis-of-dcs-tenant-opportunity-to-purchase-act-topa/> ("[D.C.'s tenant right of first refusal] law addresses the complexities of gentrification, escalating housing costs, and displacement, particularly when affecting marginalized communities. By affording tenants the chance to purchase their rental properties during sales, [the right of first refusal] aims to ensure housing security, tenant empowerment, and affordability.").

⁷ *Id.* at 6.

SB481_JCRC_FAV.pdf

Uploaded by: Laura Salganik

Position: FAV



Committee: Judicial Proceedings

Testimony on: SB481 – Renters’ Rights and Stabilization Act of 2024

Organization: The Jewish Community Relations Council, Howard County, MD

Submitting: Betsy Singer and Laura Salganik, Co-chairs

Position: Favorable

Hearing Date: February 29, 2024

Dear Chair and Committee Members:

The Jewish Community Relations Council of Howard County (JCRC) is submitting this testimony in support of SB481, the Renters’ Rights and Stabilization Act of 2024.

Jewish texts are full of material that balances the rights of renters and landlords and supports the rights of people to stay in their homes .

Maryland’s current eviction filing fee clearly puts renters at a large and unfair disadvantage. With the lowest eviction filing fee in the country – \$15 compared to a national average of over \$100 – filing for eviction is an inexpensive first step for landlords when rent is more than ten days late. But the ramifications for renters are anything but inexpensive. Even though the vast majority of renters who receive an eviction notice pay their rent before being evicted, they have to take time off work for court, pay court costs, and have an eviction filing on their record, which reduces their ability to find housing in the future.

According to The Eviction Lab, the eviction filing rate in Maryland was 70 percent: the number of eviction filings was 70 percent of the number of renter households. Many households received repeated filings. The national average was below 10 percent.

Raising the eviction filing fee to \$100, as proposed in this bill, puts Maryland in the same group as most other states, where eviction is a last resort not an initial course of action. In addition, other provisions in the law such as preventing landlords from passing on filing surcharges are a needed part of increasing the justice behind the eviction process.

Raising the fee also provides funding for important programs, including legal services for those facing eviction and increased funding for rental vouchers. We also support the bill’s provision to reduce the limit on security deposits from two to one month’s rent. Requiring three months’ rent (two for security deposit and one month rent) is an unreasonable burden to place on low-income residents.

We respectfully urge you to pass the Renters’ Rights and Housing Stabilization Act of 2024.

Renters' Rights and Stabilization Act of 2024 - SB

Uploaded by: Lisa Radov

Position: FAV



MARYLAND VOTES FOR ANIMALS

PO Box 10411
BALTIMORE, MD 21209

February 29, 2024

To: Judicial Proceedings Committee
From: Lisa Radov, President and Chair, Maryland Votes for Animals, Inc.
Re: Renters' Rights and Stabilization Act of 2024 – SB 481 - Support

Chair Korman, Vice - Chair Boyce, members of the Environment and Transportation Committee, thank you for the opportunity to testify before you today. My name is Lisa Radov. I am the President and Chairman of Maryland Votes for Animals, Inc. We champion humane legislation to improve the lives of animals in Maryland. Speaking for Maryland Votes for Animals, our Board of Directors, and our members across the State of Maryland, I respectfully ask that the Senate Judicial Proceedings Committee vote favorably for Renters' Rights and Stabilization Act of 2024 – SB 481.

This bill helps protect Maryland tenants with a variety of specific elements. We support efforts to assist Maryland renters to obtain affordable housing. Maryland Votes for Animals is aware of the problem of housing insecurity. Since affordability for residents is an issue, we appreciate that this bill caps security deposits as it enlists a variety of departments and stakeholders to uphold the rights of Maryland tenants.

In closing, I would like to thank The President for his sponsorship of SB 481 and ask the committee for a favorable report.

SB0481 ACDS Support - Renters' Rights and Housing

Uploaded by: Lisa Sarro

Position: FAV



SB0481 – Renters’ Rights and Stabilization Act of 2024

**Hearing Before the Judicial Proceedings and Education, Energy & Environment
Committees
on February 29, 2024**

Position: SUPPORT (FAV)

SUPPORT: Senate Bill 0481 is an ambitious, comprehensive bill which, if enacted, will provide critical support for the housing stability of Maryland renters.

ACDS serves as Anne Arundel County’s nonprofit housing and community development agency, helping Anne Arundel County residents and communities thrive through the provision of safe and affordable housing opportunities, programs to prevent and end homelessness, and community development initiatives. As part of fulfilling this role, ACDS works with affordable housing developers, tenants, landlords, local nonprofits, benevolence organizations and homeless services providers, all with a goal of preventing evictions, supporting safe, stable housing, and ameliorating the effects of evictions for those households whose evictions cannot be prevented. ACDS also implements programs that provide financial counseling and financial assistance for County residents who are striving to purchase a home.

Housing – safe, stable housing - is everything. Housing stability is a key determinant of health, education, and economic outcomes. The Renters’ Rights and Housing Stability Act shows a clear recognition of the importance of housing stability and an understanding that supporting housing stability requires tackling the issue from many different directions. ACDS is supportive of each of the components of the Act. The increased filing fee to support legal services for eviction prevention and an expanded housing voucher program, creating a right of first refusal for renters, prohibiting evictions during extreme weather and other emergencies and the formation of an Office of Tenants’ Rights will all provide substantial and necessary support for Maryland renters.

One very important element of the bill requires emphasis: In three different places, the bill prohibits landlords from passing the filing fee surcharge on to the renter. ACDS urges this Committee to leave those provisions intact. Landlords are permitted to charge late fees, and that is unchanged by this bill. **Passing the filing fee surcharge on to renters would increase the financial burden on households that are already struggling to make ends meet and makes avoiding eviction by paying the amount due even harder. With respect, please do not allow the filing fee surcharge to be passed on to renters.**

For the reasons noted above, ACDS urges the Committee to issue a FAVORABLE report on SB0481.

SB 481 Renters Rights and Stabilization Act

Uploaded by: Lisae Jordan

Position: FAV



Working to end sexual violence in Maryland

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For more information contact:
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Testimony Supporting Senate Bill 481
Lisae C. Jordan, Executive Director & Counsel
February 16, 2024

The Maryland Coalition Against Sexual Assault (MCASA) is a non-profit membership organization that includes the State's seventeen rape crisis centers, law enforcement, mental health and health care providers, attorneys, educators, survivors of sexual violence and other concerned individuals. MCASA includes the Sexual Assault Legal Institute (SALI), a statewide legal services provider for survivors of sexual assault. MCASA represents the unified voice and combined energy of all of its members working to eliminate sexual violence. We urge the Judicial Proceedings Committee to report favorably on Senate Bill 481.

Senate Bill 481 – Renters Rights and Stabilization Act – Help for Sexual Assault Survivors

This bill provides a range of support for housing.

There is increasing recognition of the importance of housing for survivors of sexual violence. The National Sexual Violence Resource Center explains: For some survivors, home may not be a safe place and they may need to leave due to sexual violence happening in their home being perpetrated by household members, landlords, or neighbors. For others, they may need to find safe alternative housing to heal from and lessen the effects of trauma they have experienced, especially if the sexual assault occurred in their home, or if the person who perpetrated the sexual assault knows where they live. Additionally, many people experiencing homelessness have experienced sexual assault prior to becoming homeless (Slesnick et al., 2018). Experiencing homelessness is also a risk factor for experiencing sexual assault (Breiding et al., 2017; Meinbresse et al., 2014). ... [S]afe, affordable, and stable housing can be a protective factor against experiencing sexual victimization (Hoedemaker, 2010).

MCASA's Sexual Assault Legal Institute (SALI) is part of the community of Maryland Legal Services grantees. SALI helps support survivors and their housing needs through protective orders, use and possession of residences, and actions to terminate leases when it is unsafe to stay in a home or apartment. Legal services are an important part of efforts to keep survivors safe and we appreciate SB481 and its support for the Maryland Legal Services Corporation.

**The Maryland Coalition Against Sexual Assault urges the
Judicial Proceedings Committee to
report favorably on Senate Bill 481**

SB 481 Renters Stabilization PJC FAV.pdf

Uploaded by: Matt Hill

Position: FAV



C. Matthew Hill
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SB 481 - Renters' Rights and Stabilization Act of 2024
Hearing before the Senate Judicial Proceedings Committee, Feb. 29, 2024
Position: SUPPORT (FAV)

Public Justice Center is part of Renters United Maryland and urges you to move favorable on SB 481. The Public Justice Center (PJC) is a nonprofit public interest law firm that stands with tenants to protect and expand their rights to safe, habitable, affordable, and non-discriminatory housing. The PJC represents or advises over 800 renters and their families each year. There is a significant need for each component of HB 693 that advances the housing security of PJC's tenant-clients including:

- **Reducing the maximum allowable security deposit to one month's rent.** Too often our clients have to move on very short notice to escape from uninhabitable housing or to take advantage of a new job. There are numerous barriers to this move. Lowering the maximum allowable security deposit from two months' rent to one month's rent will help address the security deposit barrier to such a move and increase housing mobility for thousands of families.
- **Creating a new Office of Tenants' Rights and collecting better eviction data.** Additional education resources are needed in Maryland. Most renters who we assist would benefit from learning sooner about their rights and responsibilities. And the state can adjust its policies with better eviction data.
- **Standardizing when evictions are paused** for inclement weather or other emergencies.
- **Providing greater homeownership opportunities.** The right of first refusal, which has existed in Baltimore City for decades, would help increase access to homeownership. Technical and financial support will be needed for lower income households, but HB 693 lays the foundation.
- **Increasing the court filing surcharge to deter serial eviction filing.** Raising the eviction filing surcharge – *without passing it onto the tenant* – would further disincentivize serial filing. Maryland's uniquely high serial eviction filing rate means that prospective landlords will turn down the applications of families who may be desperate to move but have dozens of rent complaint filings on their rental history.

Do not make tenants pay more for their own eviction! It is essential that the Committee maintains the current language in the bill that stops the court and landlords from passing this increased surcharge onto tenants for the following reasons:

1. **Passing the fee onto tenants would more than double the total amount that tenants must pay to "pay and stay" and avoid eviction and homelessness.** To "pay and stay" from a rent court judgment, the tenant must pay court costs. If the bill is amended to allow a pass through of the increased fee,

this means doubling the total amount a resident must pay to redeem (from \$60 to \$145; or \$80 to \$165 in Balt. City). ***Some families will be unable to pay the fee – especially very low income, subsidized tenants whose rent is often only \$50/month – and will be evicted because of the increased fee.***

2. **Eviction filing fees and late fees often snowball after one disputed payment.** PJC represents a fixed income, senior client whose money order for rent from over a year ago was never cashed. The landlord says that they never received it; the tenant is adamant that they deposited the money order in the landlord's drop box. Because of that missed payment, the landlord has filed a rent case against the tenant in 11 of the past 12 months adding a 5% late fee and \$80 in court costs with each filing such that the landlord claims that the resident is now hundreds of dollars behind from just the past year. Because of the snowballing nature of these fees, allowing such a fee to pass through to tenants will inevitably result in more evictions and homelessness for folks already on the edge.
3. **“Judicial discretion” for passing on the fee is what happens now. Tenants normally lose because most cases end in default judgments for the landlord plus costs.** Over 90% of rent cases that are not dismissed end in a “default judgment” against the tenant. The Court checks a box on the form: “Judgment in favor of Landlord for possession of the premises and costs.” This is the current exercise of “discretion,” and the tenant almost always loses. When the case is dismissed, the landlord *still* assesses the costs against the tenant via their lease provisions – even if the case is dismissed. The landlord then allocates the next payment first to the additional fee, leaving the tenant behind on the rent for the next month – spiraling into greater debt. Even if eviction filings are reduced by 25% from this policy, that leaves appx. 300,000 eviction filings/year, the vast majority of which will include a \$85 increased fee that vulnerable households will have to pay to avoid eviction.
4. **Allowing a fee pass-through defeats a major purpose of the bill, which is to disincentivize serial eviction filing.** If the landlord can recover the increased surcharge, it will have little effect on landlord eviction filing rates.
5. **Tenants still have an incentive to pay the rent in a timely fashion because landlords can still assess a 5% late fee and court filing fee – just not this increased surcharge.**
6. **If a landlord truly wants to evict a tenant who is chronically late, then after three judgments the landlord can foreclose on the right to redeem (i.e., no “pay and stay”).** There is no need for the landlord to continue seeking judgments and passing on the increased surcharge.
7. **When fully funded, Access to Counsel in Evictions will assist annually tens of thousands of tenants who have a defense, but it does not solve Maryland's significant affordability gap:** There are 193,819 extremely low-income (\$31,600/year for family of four) renter households in Maryland. 74% of those households are severely cost-burdened, i.e., paying more than 50% of their income in rent. These households are one paycheck or expense away from facing an eviction.
8. **Landlords can collect “future rent” right now – but they still file in rent court each month.** Landlords claim they must file a rent complaint each month because courts refuse to award

“future rent,” i.e., rent that comes due between filing and trial, but that is not true. Lawyers from 12 jurisdictions around the state have verified that courts routinely award future rent.

Even an amendment that would allow landlords to pass through the fee to tenants only after the 3rd failure-to-pay-rent filing in a year would still fall disproportionately on the renters who are least able to pay the increased fee because they are often on the brink of eviction. In the experience of our organization, landlords file against the same tenant repeatedly within the year because the purpose of the eviction filing is not eviction *per se* but rather debt collection.¹ For example, if there is a dispute between the landlord and tenant over \$500 in rent or other fees, the tenant may pay the \$1,000 monthly rent timely, but the landlord may still file an eviction complaint for multiple successive months because there remains a \$500 back balance to which the landlord allocates first the tenant’s payment each month, charging a late fee in each of those months as well. Even with a prohibition on pass-through of this surcharge, tenants still have ample incentive to pay the rent timely to avoid late fees and the current court costs that landlord pass through pursuant to statute. This additional proposed surcharge should instead serve as an incentive for the landlord to attempt to work with the tenant, accept a payment plan, and connect the tenant to social services if needed, instead of skipping straight to an eviction filing each month.

Public Justice Center is a member of Renters United Maryland, a statewide coalition of renters, organizers, and advocates, and **we urge the Committee’s report of Favorable on SB 481.**

¹“The execution of an eviction is a double-edged sword for landlords, who must balance the costs of unit turnover with those of allowing a tenant to remain in rent arrears. But this is not the case for filing. *Filing* costs a modest fee, and initiates a legal process that leverages the power of the state both symbolically and physically to encourage the tenant to pay her late rent. Moreover, the process of repeated (“serial”) filing for eviction and charging late fees, even on tenants who are expected to eventually pay their rent, is used by some landlords as an additional revenue source.” Drs. Philip ME Garboden and Eva Rosen, *Serial Filing: How Landlords Use the Threat of Eviction*, City and Community: A Journal of the Community and Urban Sociology Section of the American Sociological Association, Vol. 18, No. 2, June 2019, at 11-12 (emphasis original) (internal citations omitted).

SB481_MLSC_FAV.pdf

Uploaded by: Michelle Siri

Position: FAV



MLSC

MARYLAND LEGAL SERVICES CORPORATION

IOLTA - INTEREST ON LAWYER TRUST ACCOUNTS

Senate Bill 481
Renters Rights and Stabilization Act of 2024
Senate Judicial Proceedings Committee (primary) and
Senate Education, Energy, and the Environment Committee (secondary)
Hearing Date: February 29, 2024
Position: Favorable

Maryland Legal Services Corporation requests a favorable report on SB481, which would make long overdue and necessary structural changes to Maryland's current eviction laws.

MLSC's mission is to ensure low-income Marylanders have access to stable, efficient and effective civil legal assistance through the distribution of funds to nonprofit legal services organizations. It currently funds 46 organizations to work toward that mission across the entire state. The Maryland General Assembly created MLSC in 1982 to administer the state's Interest on Lawyer Trust Accounts (IOLTA) program, and since that time MLSC grantees have assisted approximately 4 million Marylanders with a wide variety of civil legal needs. In 1998, the General Assembly enacted surcharges in civil cases as a source of funding for MLSC, and those surcharges now amount to one of our largest funding streams.

MLSC is grateful to the Maryland General Assembly for recognizing, time and again, the significance of civil legal services providers. The work our grantees perform touch all facets of life, including evictions and foreclosures; protection from domestic violence and elder abuse; bankruptcy and debt collection; child support and custody; and access to unemployment, health and other benefits. The pandemic made these issues even more prevalent and complicated, while at the same time also wreaking havoc on the service providers who now face unprecedented staffing shortages and turnover. Having an experienced advocate can make a tremendous difference for a low-income Marylander who, if not for civil legal aid, would be forced to navigate the legal system alone. But more and more individuals will find themselves rejected for services they otherwise qualify for, due to a lack of staffing and a shortage of experienced attorneys.

The Renters Rights and Stabilization Act of 2024 can help not only address the disparities within our landlord/tenant law framework, but also support and sustain MLSC and in turn the legal services providers upon whom so much relies. While MLSC supports the legislation as a whole, we offer the following testimony specific to our areas of expertise.

Filing Fees

SB481 increases *the surcharge* in summary ejectment, tenant hold over, and certain breach of lease matters from \$8 to \$93 per case. The current total amount for filing an eviction is just \$15, the lowest in the nation, and far lower than the national average of \$109. Increasing the *total filing fee* amount to \$100 would deter landlords from using our overburdened court system as a collection agency and ultimately decrease the number of frivolous eviction filings in our state.

At over 48%, Maryland has the highest eviction filing rate in the county, and the only one with a filing rate consistently above 20%. Maryland's eviction filing rate is **seven** times higher than the next highest state in the nation. These numbers, while shocking to the conscience, are not surprising given the ease with which landlords are able to file an eviction as a routine method of collection when rent is late. In fact, in 95% of all filings in Maryland, tenants pay the late rent, fees,

and court costs (including the filing fee) and thus avoid being evicted from the unit. This is known as the tenant right to redemption.

In order to prevent the increased fee from significantly overburdening tenants, and defeating the purpose of disincentivizing serial eviction filings, SB481 also includes a critical provision that prevents the landlord from passing the cost of the surcharge on to tenants. Notably, it does not prevent the landlords from assessing a 5% late fee and court filing fee or raising rent. Without the provision preventing the pass-through, landlords will continue their existing practice of using Maryland courts as a rent collection tool, as they will know that the filing fee will ultimately be recoverable. Furthermore, it will significantly increase the housing costs of low- and moderate- income tenants who are struggling to pay rent on time and need to exercise the right to redemption.

This law is not designed to prevent landlords from accessing the courts in appropriate cases. Rather, the law is designed to ensure that the court's involvement is reserved for cases warranting the drastic remedy of eviction, and is not implicated every time a tenant experiences a temporary short-term delay in making a payment. Indeed, small landlords frequently maintain strong lines of communication with tenants, and work with tenants on an individualized basis in times of need. Instead, the law would incentivize all landlords to take a more thoughtful approach to providing housing, reserving eviction, the most serious tool in the arsenal, for more serious cases.

Why is this important? Evictions often cause a spiral of legal and financial difficulties in the lives of tenants and their families, as well as significant social and economic costs across all of society. Jobs are lost, educations interrupted, families broken apart, and entire communities destabilized. Not all evictions can be avoided, but to the extent that less draconian approaches can be implemented, all of us benefit. **By simply setting court costs at a level more in keeping with other, similarly consequential civil cases, the law can incentivize less devastating solutions.**

Funding for Maryland Legal Services Corporation

Significantly, SB481 would distribute funds raised from this increased surcharge equally between a statewide Rental Assistance Voucher Program and the legislatively created MLSC Fund. As noted above, MLSC currently provides funding for over 46 grantees across the state. Funding is provided through Operating Grants to a broad spectrum of legal services providers, as well as through special projects, such as the Foreclosure Prevention Grant, the Estate Planning and Wills for Seniors Program, and the Access to Counsel in Evictions Program. These funds will **support legal services for over 82,000 Marylanders, directly benefiting over 160,000 individuals. Our grantees helped clients obtain more than \$16.2 million in economic awards and avoid over \$18.8 million in costs through their cases, for issues such as child support, consumer judgments and discharged debts.** Not only will these services help people in need, but they will also reduce strain on the court system and streamline interactions with state agencies, saving valuable time and funds. **At a time when Maryland's budget outlook is challenged, addressing the need of these Maryland constituents will benefit the state and save money in the short and long term, all through a self-sustaining revenue source, and not an appropriation.** According to the Administrative Office of the Courts' most recent [study on the economic impact of civil legal aid](#), Maryland civil legal services programs generate \$190 MILLION PER YEAR in economic activity, cost savings, and increased productivity as a result of their advocacy. In the decade since that study was conducted, the number of providers – and the demand for services – has increased dramatically, as has their impact.

Civil cases constitute approximately 85% of the cases heard within our courts, yet people who cannot afford an attorney are left to handle these complicated issues on their own, even when the issues at stake affect fundamental rights, such as custody of their children, their physical safety, their housing, or their employment. Supporting civil legal aid is an investment with a good return for taxpayers, businesses and communities, saving money from legal aid's success in reducing homelessness for children, veterans, seniors, people with disabilities, and others, and the incidence of domestic violence. Civil legal aid also helps streamline the court system by reducing the number of unnecessary lawsuits and cutting down on court costs and staff overtime. Providing access to an attorney not only meets a litigant's existing legal needs but

can equip them for future success, preventing legal conflicts from arising in the first place, and decreasing the need for further costly intervention.

Maryland's dedicated cadre of legal services providers, many of whom are graduates from Maryland's two prestigious law schools, provide representation across the state, from Western Maryland to the Eastern Shore, Baltimore City, and all the counties in between. Often sacrificing the financial stability from opportunities to work in private practice, they have chosen to dedicate their careers to fighting for access to justice for all Marylanders, so that no one is left behind and caught up facing the legal system alone. They are active members of the communities in which they provide services, partnering with community groups, faith-based organizations, local governments and more to educate and serve residents. They offer a variety of models to best suit clients' needs, ranging from individual appointments to large clinics and workshops. The work they perform is quite literally life-changing, whether it is representing a tenant being unjustly evicted, a working mother trying to obtain benefits for her family, or a victim of domestic violence or sexual assault, seeking the protection of the courts.

Civil legal aid affects all regions of Maryland. MLSC's nonprofit grantees have the expertise regarding service models that work best in each of Maryland's jurisdictions and tailor their services to best meet the need of each region. These organizations are well-established and trusted members of their local communities, with the backing and collaboration of a statewide delivery system. Funds provided through SB481 will offer stability as we navigate the uncertain times ahead and help address the staffing crisis that if left unfunded will destabilize the provision of civil legal aid across the state.

Office of Tenants' Rights and Other Provisions

The remainder of SB481 establishes an Office of Tenants' Rights within the Department of Housing and Community Development, which will develop and publish a Maryland Tenants' Bill of Rights. It further limits the maximum amount of a security deposit to one month's rent, extends the time period between granting a judgment of possession in favor of a landlord and executing a warrant of restitution, and places restrictions on evictions during extreme weather events. Finally, SB481 creates a right of first refusal in certain circumstances, allowing renters the opportunity to purchase the property in which they reside. MLSC supports all of these provisions as they build upon work the General Assembly has conducted over the course of several years in establishing the Access to Counsel in Evictions Program and Taskforce. **The provisions in SB481 recognize that evictions result in great economic burdens on both landlords and tenants, break up communities, hurt prospects for future employment and housing, and increase the need for homeless services. In short, eviction negatively affects everyone involved in the process.**

For all the foregoing reasons, MLSC strongly supports Senate Bill 481 and urges a favorable report. If we can provide any further information or assistance, please do not hesitate to contact Michelle Siri, Executive Director, at 410-576-9494 x1009, or msiri@mlsc.org.

SB481 due 2-27-24.pdf

Uploaded by: Mitchell Posner

Position: FAV

February 27, 2024

William C. Smith, Jr.
Chair, Senate Judicial Proceedings Committee
2 East
Miller Senate Office Building
Annapolis, Maryland 21401

Re: In support of SB0481 Renters' Rights and Stabilization Act of 2024

Dear Honorable Chair Smith and Members of the Judicial Proceedings Committee,

Community Assistance Network, Inc.(CAN), the designated nonprofit anti-poverty Community Action Agency serving Baltimore County offers our strong support for Senate Bill 481, the Renters' Rights and Stabilization Act of 2024. We thank Governor Wes Moore and the Department of Housing and Community Development for yet another piece of forward-thinking legislation to address the housing issues our economically challenged renter clients incur in the community we serve. CAN fields thousands of calls for eviction protection counseling and emergency financial assistance every year. In 2023 we helped 596 families avoid eviction throughout Baltimore County.

This crucial piece of legislation addresses key issues related to renters' rights and housing stability in our state. The proposed increase in the surcharge (from \$8 to \$93) for certain eviction proceedings demonstrates a commitment to funding essential renter protection programs and the Statewide Rental Assistance Voucher Program within the Department of Housing and Community Development (DHCD).

The establishment of the Office of Tenants' Rights (OTR) within DHCD is a significant step towards ensuring that tenants have a dedicated entity advocating for their rights and providing support in navigating the complexities of the rental system.

Additionally, the bill's provisions to extend the period between granting judgment for possession and the execution of the warrant of restitution demonstrate a balanced and humane approach to eviction proceedings. Furthermore, the establishment of a tenant's right of first refusal during property transfers and the expansion of eviction data collection contribute to a more equitable and transparent rental landscape.

Finally, our experience tells us that limiting the maximum required security deposit required by a residential lease to one months rent would significantly assist renters who are looking to move "down" to a more affordable unit as well as the unhoused families we serve to afford their goal of independent living.

As service providers to economically challenged renter households in our state CAN believes that SB481 aligns with our shared values of promoting fair and stable housing conditions for all Maryland residents. The comprehensive nature of this legislation, addressing both immediate challenges and long-term solutions, showcases a commitment to creating a more just and supportive housing environment.

We urge you to support SB481 for the betterment of Maryland's communities and the individuals and families who call our state home. Thank you for your attention to this critical matter, and we appreciate the state's ongoing efforts to enhance housing rights and stability.

For the foregoing reasons, we ask for your FAVORABLE report for SB481.

Sincerely,



Mitchell Posner
Executive Director

SB481_QVM_Testimony_SUPPORT.pdf

Uploaded by: Molly Finch

Position: FAV



February 28, 2024

Dear Chair Senator Smith, Jr., Vice Chair Senator Waldstreicher, and Members of the Committee,

Quaker Voice of Maryland submits this testimony in FAVOR of SB481– *Renters' Rights and Stabilization Act of 2024.*

We have identified this bill as one of our priorities for the 2024 general assembly because Quakers across Maryland have shared their concern about housing affordability and access. One of the testimonies of Quakerism is equality and we see the Renters' Rights and Stabilization Act of 2024 as providing equal housing protection and opportunity for people living in Maryland who access housing through renting. We see the Act as seeking to reach this equality and improve housing stability by:

- Better protecting current renters from certain evictions. *Protecting housing stability.*
- Securing a "Right of First Refusal" so that if a landlord wants to sell a property that is being rented, the tenants who are renting would be given a chance to buy. *Supports homeownership.*
- Creating an Office of Tenant Rights to advocate for renters in Maryland and provide technical assistance related to the "Right of First Refusal" and information on renters' rights. *Educational opportunity to increase housing stability.*
- Altering the priority and criteria in the Statewide Rental Assistance Voucher Program. *Creating protections to keep essential rental assistance available at the state level.*

We thank Committee Member Senator Carter for their sponsorship of this bill and urge a FAVORABLE report for this essential legislation.

Sincerely,

Molly Finch

Clerk, Quaker Voice of Maryland

Personal email: mgsfinch@gmail.com

Organization email: quakervoicemd@gmail.com

SB0481_FAV_City of Rockville_Renters' Rights & Sta

Uploaded by: Monique Ashton

Position: FAV



**Testimony of the Mayor and Council of Rockville
SB 481 – Renters’ Rights and Stabilization Act of 2024
SUPPORT**

Good afternoon, Chairman Smith and members of the Senate Judicial Proceedings Committee. My name is Monique Ashton, and I am the Mayor of the City of Rockville. I thank you for this opportunity to provide testimony in support of SB 481.

The City of Rockville Mayor and Council unanimously support SB 481, which creates a state Office of Tenants’ Rights, increases the filing fee for an eviction, directs the new Office to create a Maryland Tenants’ Bill of Rights, reduces the maximum amount of a security deposit, establishes the right of first refusal, and enhances other renter protections.

We strongly support the provisions of SB 481 for the following reasons:

- Forty-five percent of Rockville households are renters, and this number is continuing to grow. Our residents would greatly benefit from the additional protections and resources in the legislation.
- A state Office of Tenants’ Rights would create another resource for Rockville tenants to go to in seeking guidance and support, which could potentially reduce the volume of requests made to City staff. Since July 5, 2023, City staff have received 441 inquiries, with one dedicated staff-person fielding these requests. The degree of need is likely much larger since not all residents have the means to contact the City.

I would like to note that although we support increasing the filing fee for evictions, the Mayor and Council are concerned that the additional fee might be passed onto the tenant. Increasing the filing fee may also have unintended consequences on small landlords who are less likely to evict tenants than corporate landlords. We ask that the Committee consider potential amendments that would address these concerns. Additionally, we request that you clarify the right of first refusal exceptions to specify that a transfer of a title from a property owner to a family member includes the sale of a property to a family member. Attached to our submitted testimony, is an addendum with additional comments.

In conclusion, all Marylanders deserve housing stability. Strong and fair tenant protections will support residents most in need of affordable housing. For these reasons, we urge the Committee to provide SB 481 with a favorable report. Thank you.

Testimony Addendum

SB 481 – Renters Rights and Stabilization Act of 2024

We ask the Committee to please consider the following to be a part of this bill:

- For tenants renting from single property landlords, that the tenant has Right of First Refusal when the landlord decides to put the property on the market, rather than when the landlord has a contract from another potential buyer.
- For prospective tenants, include in the bill a provision to provide more transparency on fees and rate increases so that prospective tenants can see the history and make an informed choice before signing a lease.

Thank You.

SB0481-JPR-SUPP.pdf

Uploaded by: Nina Themelis

Position: FAV



BRANDON M. SCOTT
MAYOR

*Office of Government Relations
88 State Circle
Annapolis, Maryland 21401*

SB0481

February 29, 2024

TO: Members of the Senate Judicial Proceedings Committee

FROM: Nina Themelis, Director of Mayor's Office of Government Relations

RE: Senate Bill 481 – Renters Rights and Stabilization Act of 2024

POSITION: Support

Chair Smith, Vice Chair Waldstreicher, and Members of the Committee, please be advised that the Baltimore City Administration (BCA) **supports** Senate Bill (SB) 481.

SB 481 would enhance protections for renters, strengthen the enforcement of existing laws, and reduces the impact of evictions on Baltimore families.

A number of key components of the legislation include strategies the BCA supports or are already reflected in the work underway in the City, such as establishing the Office of Tenant Rights (“OTR”), increasing eviction filing fees to fund critical programs, voucher program prioritization, new renter protections and new reporting requirements. The BCA is committed to working with the Governor and the Administration to continue to discuss how to protect tenants’ rights before and during the course of eviction.

Baltimore City renters already enjoy some additional protections assisted by the work of Baltimore City Department of Housing and Community Development (DHCD). Some of the contributions to the arena of tenant protections include:

- Using CDBG-COVID and other sources to fund the provision of legal advice, and, in some cases, representation to renters facing eviction and other landlord-tenant issues through local nonprofits such as Maryland Legal Aid, Public Justice Center, Homeless Persons Representation Project, Pro Bono Resource Center of Maryland/Tenant Volunteer Lawyer of the Day Program, Disability Rights Maryland and the Maryland Courts Self-Help Center. SB 481 would help to address capacity limitations.
- DHCD’s Code Enforcement & Legal Division pursue litigation of problem landlords and issue notices and citations to tenants for violations they are responsible for under the code. DHCD dedicates three property maintenance inspectors that serve as “escrow inspectors” for the Court in rent escrow actions. These inspectors conduct investigations as a result of

an escrow case and testify in rent Court. DHCD attorneys prosecute illegal lockouts/denial of essential services charges and pursue actions against landlords who demonstrate a pattern of failing to comply with outstanding violation notices. In other instances, DHCD can file nuisance actions against tenants for criminal activity that may result in eviction under the State Drug Nuisance statute.

- DHCD property and registration staff provide copies of license verification documents for tenants to use in Court when seeking to defend failure to pay rent cases in unlicensed properties. The intersection of code enforcement and evictions often lead to DHCD's frequent contact with rent court.

DHCD has also been working with the District Court, the Sheriff's Office and legal assistance providers to leverage resources outside the legal system to protect Baltimore families from eviction. DHCD has been working to implement City Council Bill 20-0625 Landlord-Tenant - Right to Counsel in Eviction Cases¹ which provides eligible tenants with access to counsel in eviction proceedings.

SB 481 would coalesce existing rights, add tenants' rights of first refusal, add the right not to be evicted in emergencies, cap security deposits at one month's rent and prioritizes vouchers for households with children under 5, among other changes. A number of key components of the legislation enhance or expand protections for renters that are desperately needed for Baltimore families.

For these reasons, the BCA respectfully request a **favorable** report on SB 481.

¹ <https://baltimore.legistar.com/LegislationDetail.aspx?ID=4659244&GUID=77F2AE9E-8F22-4DA9-8248-775803D3C766&Options=ID%7CText%7C&Search=20-0625>

CASA_FAV_SB481.pdf

Uploaded by: Ninfa Amador

Position: FAV



Testimony in SUPPORT of SB481
Renters' Rights and Stabilization Act of 2024
Senate -Judicial Proceedings Committee

February 28th, 2024

Dear Honorable Chair Smith and Members of the Committee,

CASA is pleased to offer favorable testimony in support of **SB 481**.

SB 481 is important legislation that will help level the playing field and improve conditions for renters across Maryland. This bill will accomplish several important objectives, including standardizing renter's rights, stabilizing security deposits, and preventing evictions during extreme weather events. It also includes important provisions that will expand access to civil legal services for low-income Marylanders by dedicating a portion of increased filing fees to the Maryland Legal Services Corporation (MLSC). Through our legal services and tenant organizing, CASA engages with renters across Maryland every day. Throughout the state, there are apartment communities where tenants suffer deplorable conditions, transgressions of personal privacy, and unjust treatment by property owners and managers. People fighting for dignified housing and treatment occurs from Montgomery County to Baltimore City, and many other jurisdictions in the state. However, the "rights" they have as tenants vary from county to county.

For example, Montgomery County has a strong tenant-landlord handbook that outlines the things tenants are entitled to when entering a lease as well as what a landlord can demand from a tenant. This is a powerful tool which empowers tenants to understand and defend their rights, including notification requirements the landlord must abide by before entering a dwellings and rights that tenant associations hold. Hence, fighting an unjust entry into a dwelling would be easier in Montgomery County compared to other places. This is not just a hypothetical as we see how tenant advocacy varies from county to county. Creating a powerful unified set of renter's rights that are valid across the state will reduce ambiguity and increase confidence among renters to demand what is right.

Another important provision of the Renter's Rights and Stabilization Act limits security deposits to one month rent, which lowers the cost of entry to housing for MD's lower-income residents; this is the difference between someone being able to sign a lease or having to delay to accumulate the required funds. Our members live check to check, so having more than two months rent can seem like an insurmountable barrier.

For these reasons, CASA urges a favorable report.

SB 481 – Renters' Rights and Stabilization Act of

Uploaded by: PRISCILLA KANIA

Position: FAV



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SB 481 – Renters' Rights and Stabilization Act of 2024
Judicial Proceedings Committee
Education, Energy & Environment Committee
FAVORABLE
February 28, 2024

Good afternoon, Chair Smith, Vice Chair Waldstreicher, members of the Senate Judicial Proceedings Committee and members of the Senate Education, Energy & Environment Committee. My name is Priscilla Kania, AARP volunteer lead advocate and resident of Anne Arundel County. AARP Maryland advocates for over two million Marylanders age 50 and older. We thank you for the opportunity to speak in support of SB 481 - Renters' Rights and Stabilization Act of 2024. We thank Governor Moore for initiating this important legislation.

Housing for the elderly and disadvantaged people of Maryland is a priority for AARP Maryland. Home ownership is all too often not an option for working class Marylanders and people on limited and fixed incomes. When people pay over 30% of their income for rent, they often sacrifice necessities such as food and medicine. They rarely have a cushion for emergency expenses and can fall behind in their rental payments. We see landlords raising rents at a remarkably high rate and evicting tenants to get higher rent from less disadvantaged tenants.

SB 481 increases the surcharge for filing an eviction case from \$18 to \$93 and does not allow landlords to pass that on to the tenant. This is to make sure it is a deterrent for landlords to file frivolous cases. While this is a positive step, we do want to be mindful of the landlords who only have one tenant – usually someone living in their home or on their property, such as in a duplex or accessory dwelling unit. Elderly Marylanders often do this to supplement their limited income to remain in their home. More than 70% of older adults say they prefer to age in place. The Committee could exempt single tenant homeowners from portions of this legislation.

Section 5-102 (A) establishes an Office to Tenant Rights. The office will be responsible in providing support and resources to tenants. This is excellent for renters and is likely to decrease unnecessary evictions.

Section 8-119 proposes to create a right of first refusal for tenant(s) to buy the property from the landlord, if it is up for sale. Before the landlord is allowed to sell it to a bonafide purchaser, the landlord must first offer the tenant/group of tenants the opportunity to buy the property. The bill requires that the landlord cannot ask more than 4% deposit (down payment) from the tenant if the Tenant would like to buy the property. The Committee might want to consider changing that to the standard down payment rate at the time of purchase.

While providing the first right of refusal to buy the property to the tenants is a good thing,

there might be some consideration to make sure the process is like a standard sale of real estate transaction. The special treatment in relation to the deposit/financing clause can be provided to long term tenants (tenants who have lived there for more than 5 years).

There are many components to this bill and AARP Maryland appreciates and supports legislation that values both the landowners and the tenants, as well as appreciating the value of home ownership.

AARP Maryland is committed to working with you to effectively address Maryland's housing options for older adults. We ask the Committee to issue a favorable report on SB 481. If you have any questions, please feel free to contact Tammy Bresnahan at tbresnahan@aarp.org or by calling 410-302-8451. Thank you.

SB481 Written Testimony

Uploaded by: Rafael Lopez

Position: FAV

February 29, 2024

The Honorable Will Smith, Chair
Judicial Proceedings Committee
Miller Senate Office Building, 2 East
Annapolis, Maryland 21401

**RE: TESTIMONY ON SB 481 - The Speaker - Renters' Rights and Stabilization Act 2024 -
POSITION: FAVORABLE**

Dear Chair Smith and Members of the Judicial Proceedings Committee:

The Maryland Department of Human Services (DHS) thanks the Committee for the opportunity to provide written testimony in favor of Senate Bill 481 (SB 481). With offices in every one of Maryland's jurisdictions, we empower Marylanders to reach their full potential by providing preventative and supportive services, economic assistance, and meaningful connections to workforce development and career opportunities. The Child Support Administration, the Family Investment Administration, and the Social Services Administration within DHS implement service programs which are impacted by SB 481.

We serve over one million Marylanders a year, many of which struggle with economic insecurity especially around housing affordability and stability. The Renters' Rights and Stabilization Act of 2024 would provide first right of refusal for tenants to purchase the property where they live when it is for sale. Providing three months for tenant purchasers to secure financing encourages families to purchase their homes and build family wealth. Together these provisions would provide an opportunity for long-term housing stability for families. Families would also benefit from the Office of Tenants' Rights providing information about financial and credit counseling. The tenant protection provisions are important for obtaining and maintaining family housing stability.

Based on our early analysis, we offer below an estimate of the impact of Senate Bill 481 on Marylanders served by our department, specifically within our child welfare and economic support programs.

From 2018 to 2022, DHS had 9,314 entries into foster care. Ten percent of children entering foster care experienced housing insecurity as a circumstance in child removal and family separation. Inadequate housing frequently contributes to or exacerbates other safety risks that result in removing children from their families. The number of cases with housing identified as a contributing issue has been on the decline from 2018 to 2020 but significantly increased in 2021 and 2022. Improving housing stability advances Maryland's efforts to keep children safely with their families.



In addition, youth aging out of foster care require stable housing options. Local Departments of Social Services help with Family Reunification Program (FUP) vouchers for families where housing is a barrier to reunification and for foster youth, 18-23, who have or are at risk of aging out of foster care to homelessness. As of November 2023, Maryland housing authorities have 1,064 FUP vouchers available with 83% currently in use. Prince George's County uses the most vouchers (402), followed by Baltimore City (194).

Families participating in economic support programs, including Supplemental Nutrition Assistance Program (SNAP), Temporary Cash Assistance (TCA), and Emergency Assistance to Families with Children program (EAFC), will also benefit from SB 481. Through EAFC, we provide cash assistance to families who need emergency help paying rent or utilities or for other emergencies. In 2022-2023, we received a staggering 45,363 EAFC applications.

All households experiencing economic insecurity are likely to struggle with housing instability. Currently, 133,325 households participate in SNAP. The number of households participating in TCA is 15,959. Twenty-two percent of SNAP participants experiencing homelessness are also receiving TCA. Strikingly, the number of SNAP-alone households who identify as experiencing homelessness is 2,714; and 416 SNAP and TCA households with children identify as experiencing homelessness.

We support SB 481 as a critical lever in the Governor's vision to end childhood poverty in Maryland. SB 481 increases the continuity of care when children and families are at risk of eviction, homelessness, or family separation related to housing instability. We can, and must, do better by the people we serve.

We appreciate the opportunity to provide favorable testimony to the Committee for consideration during your deliberations. We look forward to the decision of the Committee and welcome continued collaboration on SB 481.

If you require additional information, please contact Rachel Sledge, Director of Government Affairs, at rachel.sledge@maryland.gov.

In service,



Rafael López
Secretary

2024.02.28 - A2JC Written Testimony - SB481 Renter

Uploaded by: Reena Shah

Position: FAV

SB481

Renters' Rights and Stabilization Act of 2024

Senate Judicial Proceedings Committee

FAVORABLE

The Maryland Access to Justice Commission (A2JC) is an independent entity powered by the Maryland State Bar Association (MSBA). We unite leaders to drive reforms and innovations to make the civil justice system accessible, equitable and fair for all Marylanders. Prominent leaders from different segments of the legal community in Maryland – including the Attorney General, deans of the two Maryland law schools, law firm partners, heads of the legal services and social services providers and funders, corporate general counsel, academics, legislators, the state bar and judiciary comprise the A2JC.

A2JC's top priority this year is to ensure full and continuous state funding for the Access to Counsel in Evictions law. Thus, A2JC strongly supports SB481 and encourages a favorable committee report.

SB481 is the ONLY Source of ACE and Civil Legal Aid Funding During this Tough Budget Year

It is important to highlight that during this difficult budget year, SB481 does not appropriate any money for ACE or civil legal aid. The money for ACE and civil legal aid funding comes from the increase in the surcharge of the filing fee for eviction cases. **SB481 is the only vehicle through which to achieve ACE funding this year.** The full amount of the increase in the bill from \$15 to \$100 is necessary to achieve the needs asserted for both ACE funding and for general civil legal aid. The bill will allocate 50% of the projected \$25M - \$30M revenue generated to MLSC to put towards ACE and other civil legal aid funding needs. The need expressed by MLSC has been \$6M for ACE and an additional \$8.6M for civil legal aid. This amounts to MLSC receiving only between \$12.5M and \$15M in the first year, potentially not covering the full need as is. In subsequent years, the higher filing fee will reduce the amount that is available for ACE and civil legal aid funding. For this reason, it is important to maintain the filing fee increase to \$100 and not reduce it to ensure that the need for ACE and civil legal aid funding is met.

COMMISSIONERS

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University of Baltimore School of Law

Hon. Christopher West

Maryland State Senate

STAFF

Reena K. Shah

Executive Director

Background on ACE Funding

During the 2021 legislative session, the Maryland General Assembly passed HB18, making Maryland only the second state in the nation to have a program that provides access to legal representation to all income-qualified persons facing eviction on a statewide basis (the Program). Maryland was part of a larger national movement which saw many state and local jurisdictions using the influx of federal emergency rental assistance (ERA) funds to adopt transformational eviction prevention measures, including a legislatively mandated access to counsel.

The resulting Access to Counsel in Evictions law, which went into effect on October 21, 2021, provides that all Marylanders who income qualify, **shall** have access to legal representation in “a judicial or administrative proceeding to evict or terminate a tenancy or housing subsidy,” including the most voluminous type of landlord/tenant case, Failure to Pay Rent. In FY 2021, landlord/ tenant cases made up 45% of the civil legal cases in Maryland in 2021, if Motor Vehicle cases are excluded.

At the start of the 2022 legislative session, the Program remained unfunded. The Access to Counsel in Evictions Task Force, which was created by HB18 to monitor implementation of the ACE Program, strongly asserted in its inaugural report that **funding** was the ACE Program’s “**most urgent and critical need**.” The Maryland Access to Justice Commission, along with other justice partners, made Program funding its top priority during the 2022 and 2023 legislative sessions and succeeded in advocating with the General Assembly and Governor to provide base level funding until FY2027.

However, the Access to Counsel in Evictions Task Force, in its 2024 annual report to the legislature has recommended an additional \$6M of funding be allocated to continue to build infrastructure of the program for FY2026.

Now, during the 2024 legislative session, the General Assembly must act to ensure stable and continuous state funding for the ACE law. Successful implementation of the ACE Program is even more urgent now as all pandemic protections have expired and federal rental assistance, depleted. Indeed, the ACE Program is poised to serve as the strongest bulwark against evictions.

The True Cost of Evictions

As we are still in mid-construction in fully implementing the ACE law, it is important to remember why this body passed the ACE law in the first instance. The need for the Access to Counsel in Evictions law in Maryland acknowledged the personal and societal costs of evictions, citing the following:

- Evictions are a detriment to public health.
- In addition to the loss of a home, evictions come with collateral consequences that may have generational impact.
- Evictions also cost state and local governments a significant amount of money, including costs associated with shelters, education, transportation for homeless youth, foster care, and health care provided in hospitals rather than community based care.

- Evictions have a disparate impact on Black and Brown households and those led by women.
- Evictions are a high stakes legal process where access to legal representation is markedly uneven between landlords and tenants.

The General Assembly sought to address the myriad of personal and societal challenges posed by evictions by adopting a recognized and cost-effective eviction prevention strategy - *access to legal representation* - that had been proven in other jurisdictions to reduce disruptive displacement of families as well as the attendant social, economic and public health costs to society at large.

The Effectiveness of Legal Counsel in Reducing Eviction

Indeed, jurisdictions that have enacted right-to-counsel laws before the pandemic, like New York City, saw drastic reductions in evictions – without any of the other factors that have aided in eviction prevention since the pandemic – including moratoriums and rental assistance. In New York City, 86% of represented tenants remained in their homes and eviction filings decreased by 30% just through the provision of counsel.

Stable and Continuous Funding is the Lynchpin to Successful ACE Implementation

It is not an understatement to say that successful Program implementation hinges on continued and stable funding. While over the past couple of years, the legislature has understood the importance of the ACE program and have steadily worked to acquire funding for it, this year, the funding hinges on achieving an increase in filing fees of eviction cases without passing the cost of the fee to the tenant.

Fluctuations that come from intermittent funding sources will have deleterious impacts on staffing levels, outreach and evaluation efforts, and more. Without sufficient funding on an on-going basis, full implementation of the Program will not be possible, resulting in many low-income Marylanders needing to navigate complex eviction cases on their own, without legal representation.

Stakes are high for vulnerable Marylanders facing eviction and the ACE Program has the potential to be game-changing and transformative. The Maryland General Assembly was a leader in establishing a state-wide right to access to counsel in eviction proceedings. It must now provide a stable and continuous source of state funding for the ACE Program in order to make this ground-breaking law effective at keeping Marylanders housed.

High Eviction Filing Rates are a Barrier to Full ACE Implementation

One of the key challenges the Task Force identified to implement the Program is the exceedingly high number of case filings in Maryland. In addition to putting tenants to a continuous churn of insecurity and stress that traps tenants in a cycle of debt, the number of case filings also increases the cost to implement HB18, which provides counsel to anyone facing an eviction in Maryland.

SB481 aims to reduce evictions by disincentivizing serial filings. Currently, the barriers to entry for an eviction filing are too low and allow for hundreds of thousands of cases to be filed and churned through the courts unnecessarily. Filing fees in Maryland are one of the lowest in the country and could be increased to both reduce evictions and address the funding gap for the Access to Counsel in Eviction Fund.

The Prohibition on the Pass Through Must be Maintained

While we support SB481 as drafted, if the bill is amended to allow landlords or the court to pass the increase in filing fee surcharge to the tenant under any circumstances, the purpose of the bill is eviscerated. There would no longer be any disincentive for the landlord to file an eviction action if the landlord or the court can pass that surcharge onto the tenant. We would vocally oppose any surcharge increase in which that surcharge may be passed onto the tenant under any circumstances.

Even an amendment that would allow landlords to pass through the fee to tenants only after the 3rd failure-to-pay-rent filing in a year would still fall disproportionately on the renters who are least able to pay the increased fee because they are often on the brink of eviction.

For the reasons stated, the Maryland Access to Justice Commission requests the Senate Judicial Proceedings Committee to issue a FAVORABLE report SB481. **We support SB481 as is and would encourage the rise in the filing fee to remain at \$100 so that it can meet the need for ACE funding and civil legal aid funding. We oppose any amendments to allow the increased surcharge to be passed on to tenants under any circumstances.** For more information, please contact Reena K. Shah, Executive Director of the Maryland Access to Justice Commission, at reena@msba.org.

Testimony in support of SB0481.pdf

Uploaded by: Richard KAP Kaplowitz

Position: FAV

SB0481_RichardKaplowitz_FAV
2/29/2022

Richard Keith Kaplowitz
Frederick, MD 21703-7134

TESTIMONY ON SB#0481 - POSITION: FAVORABLE
Renters' Rights and Stabilization Act of 2024

TO: Chair Smith, Vice Chair Waldstreicher, and members of the Judicial Proceedings Committee

FROM: Richard Keith Kaplowitz

My name is Richard Kaplowitz. I am a resident of District 3. I am submitting this testimony in support of SB#/0481, Renters' Rights and Stabilization Act of 2024

This bill is a recognition that Maryland needs more affordable housing. Policies and procedures followed by some landlords are working in direct opposition to that goal. The court system is being weaponized against poor tenants in need of rental assistance. Landlords are limiting the stock of rental properties by requiring onerous amounts of security deposits before making a rental available.

Each of these defects in the treatment of renters and rental properties is addressed by this bill. It promotes housing equity and justice towards the people in Maryland most in need of that ethical and moral treatment.

My Jewish faith tells me, in Proverbs 3:33 “The curse of the Lord is in the wicked man's house, but He shall bless the dwelling of the righteous.” Support for the stranger, the poor, the widow and the orphan are a commandment repeated throughout the Torah. This bill supports that righteous objective with a just treatment of those members of our society most in need of that blessing from institutions and persons capable of delivering those results.

I respectfully urge this committee to return a favorable report on SB0481.

SB0481 - MSBA Support Letter (2024.02.28).pdf

Uploaded by: Shaoli Katana

Position: FAV



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Annapolis Office
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To: Members of the Senate Judicial Proceedings Committee
From: Maryland State Bar Association (MSBA)
Subject: SB 481 – Renters’ Rights and Stabilization Act of 2024
Date: February 28, 2024
Position: **Support**

The Maryland State Bar Association (MSBA) joins its partner, the Maryland Access to Justice Commission, and **supports Senate Bill 481 – Renters’ Rights and Stabilization Act of 2024**. SB 481 increases maximum surcharges for certain eviction and prohibits the District Court from assigning the surcharge against a tenant; alters the priority and criteria in the Statewide Rental Assistance Voucher Program; establishes a new state Office of Tenant Rights; and limits the maximum security deposit required by a residential lease to 1 month's rent.

MSBA represents more attorneys than any other organization across the state in all practice areas. Through its advocacy committees and various practice-specific sections, MSBA monitors and takes positions on legislation that protects the legal profession, preserves the integrity of the judicial system, and ensures access to justice for Marylanders.

*Note: MSBA supports all aspects of the bill except on the issue of a tenant’s right of first refusal, specifically: (1) Page 8, Line 5 through Page 12, Line 23, and (2) Page 14, Lines 20-21, as this is a controversial issue within our membership. MSBA takes no position on this issue and defers to its practice-specific sections to provide any information and testimony on this portion of the bill.

MSBA Supports Increased Funding for Civil Legal Aid

MSBA supports access to justice for Marylanders, funding of the justice system, and equal justice for all. MSBA remains a strong advocate for the Maryland Legal Services Corporation (MLSC), an entity that provides a significant resource to Marylanders for direct legal services. SB 481’s proposed increase in the MLSC Fund through a filing surcharge increase would continue to allow Maryland’s high-quality legal services reach the state’s low-income and vulnerable populations.

As the gap between legal needs and available services continues to grow, increased civil legal aid funding would immediately address both the current and future need for services in cases that affect the basic human needs of Marylanders, including shelter, safety, and health. SB 481 would provide meaningful funding for low-income persons facing evictions, and also support greater technological innovation, training, and a broader range of services from aid providers. Investments in civil legal aid now will provide overall cost-savings to the state through reduced fees for emergency health care, counseling, and shelter costs.



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MSBA Supports Increased Protections for Renters Through New Office and Bill of Rights

MSBA supports the establishment of an Office of Tenant Rights in the Department of Housing and Community Development, tasked with educating and informing renters about their rights under the law and referring relevant landlord-tenant cases to the appropriate law enforcement agency or other agency. The Office will provide tenants with greater awareness of legal remedies and earlier access to resources to prevent evictions, including a Maryland Tenants' Bill of Rights, a publicly accessible website with relevant housing resources, and an understanding of how to report housing violations.

For these reasons, MSBA respectfully urges a **favorable report on Senate Bill 481**.

Contact: Shaoli Katana, Advocacy Director (shaoli@msba.org, 410-387-5606)

SB 481 Renters' Rights Anne Arundel Co

Uploaded by: Steuart Pittman

Position: FAV



February 29, 2024

Senate Bill 481

Renters' Rights and Stabilization Act of 2024

**Senate Judicial Proceedings and Education, Energy, and the
Environment Committees**

Position: FAVORABLE

Anne Arundel County **SUPPORTS** Senate Bill 481 – Renters' Rights and Stabilization Act of 2024. This is a comprehensive Bill that seeks to stabilize the rental market and protect renters.

Maryland has one of the highest eviction filing rates in the country; our average filing rates per household are at least 3 times higher than all of our neighboring states. Unfortunately, too often, these filings are unreasonable, and the system is being abused. Many times the landlords are filing for eviction simply because the rent is late, and they are overusing the court system as their own collection agency. Maryland currently has one of the lowest filing costs in the nation, and this only exacerbates the issues because it favors the landlords always to file. This bill will significantly raise the filing fee from \$8 to \$93, which is still slightly below the national average, and protect the renters by explicitly prohibiting the surcharge being passed on to them.

Another key component of this Bill is creating the new Office of Tenants' Rights. This office will be tasked with the responsibilities of creating and disseminating a Maryland Tenants' Bill of Rights. Having accessible resources and educational materials to help renters better understand the rental process and their rights is fundamental to our ongoing efforts to combat unlawful housing discrimination. The Office of Tenants' Rights will also help implement fair housing testing and serve as a recourse for tenants to take and refer reports of violations to appropriate enforcement agencies.

Given the many complex challenges renters already face today, worsened by the housing shortage, it is imperative that we employ all available options to help renters. Limiting the maximum security deposit to one month's rent, ordering courts to stay eviction in extreme weather conditions, establishing the Rights of First Refusal, and creating a new Statewide Rental Assistance Voucher Program are good measures in this Bill that will help us stabilize the rental market and protect vulnerable renters. For all of these reasons, I respectfully request a **FAVORABLE** report on Senate Bill 481.

A handwritten signature in blue ink, appearing to read "Stuart Pittman".

Stuart Pittman
County Executive

SB0481 - Maryland Legal Aid - FAVORABLE.pdf

Uploaded by: Victoria Schultz

Position: FAV



**MARYLAND
LEGAL AID**

Advancing
**Human Rights and
Justice for All**

Senate Bill 0481

Renters' Rights and Stabilization Act of 2024

In the Senate Judicial Proceedings and Senate Education, Energy and the Environment
Committees

Hearing on February 29, 2024

Position: FAVORABLE

Thank you for the opportunity to testify in support of the Governor's Renters' Rights and Stabilization Act of 2024. I am Executive Director of Maryland Legal Aid (MLA), the statewide and largest nonprofit provider of civil legal services in our State for low-income and vulnerable Marylanders. Maryland Legal Aid is also a member of the Renters United Maryland (RUM) Coalition. MLA urges your support for SB481 which, in addition to providing enhanced protections from tenants, raises the filing fee for rent actions from the lowest in the nation to the national median, prohibits that increased fee from being passed on to a tenant in that eviction action, and directs that the funds generated by the increased fee be designated to fund urgently needed civil legal services and housing vouchers.

A Higher Filing Fee can help Lower Eviction Filings and Reduce Racial Disparities in Maryland.

Maryland has been an outlier in the nation for its incredibly high rate of eviction filings. No other state has even come close. (See [Princeton Eviction Lab data](#).) The General Assembly noted this problem, as well as the racial disparities in eviction filings, in 2021 when it passed groundbreaking legislation to establish the Access to Counsel in Evictions (ACE) program, a statewide right to counsel for low-income Marylanders facing eviction. It is an anti-poverty strategy and investment that pays long-term benefits by promoting housing stability and reducing the number and impact of evictions.

The bill before you, SB481, has the potential to further reduce the number of eviction filings and address racial disparities in evictions. A 2023 recent study by the Princeton Eviction Lab noted a correlation between low eviction filing fees and high eviction filing rates.

(<https://evictionlab.org/tenants-pay-for-cheap-evictions/>) The study noted that when filing fees are low, landlords tend to use the court to collect rents. Importantly, the authors also noted that "higher filing fees lead to lower eviction rates and that effects are largest in majority-Black neighborhoods." (ID.) This legislation takes a significant step to bring Maryland in line with the

national median for filing fees and can help reduce Maryland's extremely high filings as well as reduce the racial disparities associated with eviction.

Any Increase in the Filing Fee Should Not be Paid for by Tenants Facing Eviction.

The Governor's bill, with its aim of promoting housing stability, prohibits the pass through of this filing fee increase to tenants. This prohibition is critical. Without it, it could thwart the purpose of the bill by potentially increasing evictions. For low-income tenants to avoid an eviction, they must be able to pay the judgment and any required court costs to stay in their homes. Passing on the increased fee would make it much harder to pay and stay and avoid an eviction once ordered, leading to greater housing instability.

Additionally, the Governor proposes that the filing fee increase should help promote affordability for tenants by dedicating half of the increased fee to the housing voucher program. We applaud this initiative given the urgent need for affordable housing. Allowing the cost of the increased filing fee to be paid by the tenant trying to avoid eviction, however, undermines the underlying purpose of the Governor's bill.

Funds Generated by the Increased Filing Fee will help Fund Civil Legal Services, an Effective Anti-Poverty Tool that helps Achieve Social Equity and Saves Us All Money.

The revenue produced by the increased filing fee will provide ongoing funding to the Maryland Legal Services Corporation (MLSC) to ensure not only the continuation of the ground-breaking Access to Counsel in Evictions (ACE) Program but also meet the general civil legal needs of low-income and vulnerable Marylanders.

Helping our clients facing eviction is and has been at the core of our work throughout Maryland Legal Aid's more than 100-year existence. Providing counsel in evictions leads to better outcomes and a fairer, more efficient court process. Further, these matters can hold very high stakes for the tenants MLA represents who often live in public or subsidized housing. When a person's subsidy is terminated, it often means tenant has few options and is at high risk of homelessness. Ensuring that the ACE program has the funding it needs will also ensure that the program provides the long-term dividends for Marylanders that the legislature envisioned when it passed this ground-breaking law.

However, when a family faces eviction, there are generally other legal problems for which they also need our help. The legal issues our clients encounter are complex and intertwined. We see eviction clients who may also be struggling with a domestic violence or custody situation. Many clients facing eviction have not been able to access benefits to which they are entitled, like social

security, SNAP, or unemployment benefits. We seek to handle our clients' legal needs holistically so they can stabilize and ultimately thrive. Providing critical funding to MLSC ensures our clients can access legal help for all their legal needs.

We know that providing legal services to people and families living in poverty and disinvested communities is an effective anti-poverty strategy that will achieve greater social equity in our state and provide a return on investment. When families can resolve their legal issues, they are able to hold down jobs, focus on their family and participate in their communities. Maryland Legal Aid recently commissioned Community Services Analysis, LLC to do a study examining the social economic impact and return on investment (ROI) on the legal services it provided. (*Maryland Legal Aid Social Economic Impact and Return on Investment Report, 2023.*) The report reaffirmed earlier ROI studies that show for every \$1 invested in civil legal aid, there is a \$6 return in social economic benefit.

Ensuring there are Lawyers Available to Meet Our Clients' Urgent Needs: The Ongoing Staffing Challenge

The Governor's bill will also help ensure that there are legal advocates available and ready to provide critical legal help when and where it is needed. The challenge is that MLSC grantees are, on average, the lowest paid publicly funded, public interest lawyers in our state, hampering our efforts to attract and retain staff.

Nonprofit legal services providers, like Maryland Legal Aid and MLSC's other grantees, have not been able to keep pace with other peer organizations in the state such as the Office of the Public Defender or the Office of the Attorney General.

Pay parity with these other public interest lawyers is essential to assure MLSC grantees, like ours, can meet the civil legal needs of our fellow Marylanders. We fully support the salary increases our state partners have and will receive; our client populations overlap significantly, and our work is complementary. But that means there should be consistent, equitable access to representation when our clients, sadly, move between their criminal, civil, and other challenges.

Parity also means equity in hiring. Low pay for legal services advocates means that talented advocates are excluded because they can't afford to do this important work, whether because they may have student loan debt, lack inter-generational wealth, or don't have a second income in their household. That also can mean that our lawyers don't look like the communities we represent, which can impact our ability to connect with and represent our client communities.

This bill that dedicates half of the filing fee increase funding to MLSC will help alleviate this gap and ensure Marylanders receive the civil legal assistance they need.

We urge the Committee to report SB481 favorably to ensure that Maryland takes this next critical step to protect tenants' rights, ensure the continuation of the ACE program and other vital civil legal services low-income Marylanders need and deserve, and reduce the level of evictions that too often fall disproportionately on Black Marylanders in our state.

Respectfully submitted,

Vicki Schultz

Executive Director, Maryland Legal Aid

vschultz@mdlabor.org

443.850.6605 (cell)

SB0481 SPONSOR TESTIMONY.pdf

Uploaded by: Wes Moore

Position: FAV



SPONSOR TESTIMONY

Senate Bill 481 - Renters' Rights and Stabilization Act of 2024

Dear Chair Smith, Vice Chair Waldstreicher, and Distinguished Members of the Senate Judicial Proceedings Committee,

Maryland is facing a housing crisis, and to address it we need both long-term and short-term solutions. Right now, we must ensure that renters in Maryland can afford their homes, expect stability, and have pathways to homeownership. That is exactly what the Renters' Rights and Stabilization Act of 2024 seeks to accomplish. Our bill proposes the following:

Establishment the Office of Tenants' Rights ("OTR")

This legislation seeks to establish the Office of Tenants' Rights within the Department of Housing and Community Development. The OTR will be responsible for serving as a resource for renters, providing renters with information about their rights under law, disseminating guidance on how to exercise those rights, and acting as an ombudsman to coordinate with relevant state, local, and federal offices as necessary.

Importantly, OTR will be required to create and disseminate a Maryland Tenants Bill of Rights which will serve as a major source of information on renters' rights and must be provided to all tenants as an addendum to their lease. OTR will not have the ability to create new rights. Rather, the Office will ensure that all tenants have access to their rights in plain language and with contact information for OTR.

Right of First Offer and Refusal for Renters

This section of our legislation seeks to create new and better pathways to homeownership by providing renters with a right of first offer and refusal upon sale of a rental property, allowing a renter the option to purchase the property themselves rather than it being sold to another landlord or potential inhabitant. This will prevent displacement, promote social cohesion, and preserve the essence of communities all while creating new pathways to homeownership and wealth creation for Marylanders in communities across the state.

After much collaboration with stakeholders, I am endorsing a compromise amendment to this section that strengthens this right. A recommended amendment is included as an addendum to this testimony. The requested amendments accomplish the following:

1. Tightens the definition of tenant to simplify processes;
2. Incorporates necessary exemptions;



-
3. Requires the Office of Tenants Rights to promulgate regulations to receive a copy of notices from the landlord;
 4. Requires notice to be delivered via a means that has tracked shipping;
 5. Cuts the applicability down from properties with 4 units to houses with 3 or fewer units;
 6. Creates a right of first offer. Between 60 and 120 days before placing a property on the market, a landlord shall provide an asking price to the tenant and provide 30 days of exclusive negotiation;
 7. If the offer from the tenant matches the terms offered by the landlord, the owner will move forward with a sale;
 8. If the offer deviates from the initial ask from the landlord, the owner will have 5 days to review and present a counteroffer, and the tenant will have 5 days to accept or reject that counteroffer. If the tenant is not interested in the property, they can waive their right of first refusal unless the final sale comes in 10% or less than the price offered to the tenant;
 9. If an offer comes in without listing the property on the market, a landlord may not close on the property without offering the same price to the tenant. Once notified, the tenant will then have 30 days to match the sales price. If the tenant does not respond, they waive their right. Likewise, if the tenant and owner enter into a contract of sale but it is terminated before settlement, the tenant waives their right of first refusal.

In designing this section, my administration analyzed other jurisdictions and created the following details:

1. This right will apply only to single-family properties and those with three or fewer units;
2. Tenants are not permitted to sale their right of first refusal as in Washington DC;
3. Tenants only obtain this right after residing in the property for 6 months;
4. The notification requirements follow a traditional offer and couter-offer structure; and
5. The proposed Office of Tenants Rights will help tenants navigate this process quickly so as to not create unnecessary delays in the buying process.



Eviction Filing Fee Alterations

This section addresses several issues with the status of Maryland's eviction filing fee.

First, the bill seeks to address the devastating impact that eviction filings in Maryland have on Maryland's families and Maryland's court system. Maryland has a **48.1%** eviction filing rate, by far the highest in the nation, compared to the national average of **7.3%**. The status quo increases families' housing costs and permanently stains tenant's records with an eviction filing record. This legislation raises the eviction filing fee from \$15 to a total of \$100, and prevents the passthrough of the increased fee to families. This will create a new status quo in Maryland where the legal eviction process is used as intended: as a last resort to repossess property.

If this legislation does not include a prohibition on passing the surcharge on to the tenant, there are two anticipated impacts. First, landlords will continue their existing practice to use Maryland courts as a rent collection tool, as they will know that the filing fee will ultimately be recoverable. Second, it will significantly increase the housing costs of low- and moderate-income tenants who are struggling to pay rent on time and need to exercise the right to redemption. Without being punitive to either party, this Maryland-unique solution of blocking the pass through fits appropriately in Maryland's legal ecosystem.

The median rent across all unit sizes in Maryland is [\\$1,819](#). A 5% late fee is equivalent to \$90 that the landlord will be able to recover still but blocking the pass through of the eviction filing fee removes an additional financial barrier on tenants who are simply trying to pay their bills and stay in their homes.

In addition to directly lowering eviction rates, the higher filing fee is anticipated to generate \$25 to \$30 million in increased annual revenue for key housing stability programs in the state, which is proposed to be dedicated as follows:

- 50% of to the Maryland Legal Services Corporation to assist in their representation of Marylanders in eviction cases; and
- 50% to help fund the state's new rental voucher program created by the General Assembly last year.

The overall objective of the Renters Rights and Stabilization Act is to increase housing security in Maryland. Both the State Rental Assistance Voucher Program and the Right to Access to Counsel created by the Maryland General Assembly are key interventions that keep families housed. The proposed eviction filing fee increase creates an increased revenue stream for these key initiatives of the MGA.



Removes Barriers to Becoming Housed

This section creates a number of renter protections that will help Marylanders become housed and stay housed.

The bill seeks to reduce the allowable security deposit for renters in Maryland from two month's rent to one month's rent. This change closes the "first and last month's rent" loophole by limiting the tenant costs to occupy the premises to the security deposit and first month's rent.

The median rent across all unit sizes in Maryland is \$1,819, meaning a tenant can be required to come up with roughly \$5,400, or more, to move in. According to the Federal Reserve, the median American family has [about \\$8,000](#) accessible in savings accounts and [the typical renter has only about \\$3,400 in total savings](#), amounts that could be nearly or entirely used up to pay a two-month security deposit and the first month's rent on a rental unit in Maryland. For many renters, even those with incomes at or above the area median, this places a new home out of reach, and these high up-front costs affect renter mobility and can force renters to stay with landlords despite unreasonable rent increases and/or inadequate housing.

Protections for Renters

The bill seeks to bar evictions in extreme weather or other dangerous conditions. This section builds upon an existing right for administrative judges to stay an eviction in extreme weather conditions by making this a requirement in cases of:

- Temperatures below 32 degrees fahrenheit;
- Winter storm or blizzard;
- Hurricane or tropical storm;
- Excessive heat warning issued by the National Weather Service;
- Public health emergency; or
- Any other state of emergency declared.



Better Data

This section expands the data required to be submitted in an Eviction Data Report to include:

- Street address and city;
- Date the owner filed for warrant of restitution with the court;
- Date of hearing;
- Date warrant was issued by the court;
- Name of property owner;
- Amount of rent and fees owed at time of possession judgment;
- Whether the renter had right to redemption;
- Outcome of warrant (tenant paid to stay, tenant moved, sheriff executed eviction, etc);
- Whether tenant had legal representation at hearing; and
- Whether the tenant appeared at the hearing.

Given the need to address issues that are creating true problems and instability for renters in our state, I respectfully request that the committee issue a favorable report for Senate Bill 481, the renters' Rights and Stabilization Act of 2024.

Sincerely,
Governor Wes Moore

A handwritten signature in black ink, appearing to read 'W. Moore'.



ATTACHMENT: RIGHT OF FIRST REFUSAL PROPOSED AMENDMENT

Article – Housing and Community Development

5-104.

(A) THE OFFICE SHALL:

(1) DEVELOP RESOURCES TO AID TENANTS IN UNDERSTANDING AND EXERCISING THE LEGAL RIGHTS OF TENANTS, INCLUDING:

(I) A MARYLAND TENANTS' BILL OF RIGHTS, SUMMARIZING THE EXISTING RIGHTS AND REMEDIES AVAILABLE TO RESIDENTIAL TENANTS UNDER STATE AND FEDERAL LAW; AND

(II) A PUBLICLY ACCESSIBLE WEBSITE TO PROVIDE ACCESS TO THE MARYLAND TENANTS' BILL OF RIGHTS AND OTHER RELEVANT INFORMATIONAL RESOURCES;

(2) ESTABLISH POINTS OF CONTACT WITHIN THE OFFICE BY WHICH A TENANT MAY REPORT A VIOLATION BY A LANDLORD OR A PERSON ACTING ON BEHALF OF A LANDLORD FOR REFERRAL TO APPROPRIATE ENFORCEMENT AGENCIES; AND

(3) PROVIDE RESOURCES TO FACILITATE ACCESS BY TENANTS TO CREDIT COUNSELING.

(4) RECEIVE NOTICES AND OTHER DOCUMENTS RELATED TO A TENANT'S EXCLUSIVE NEGOTIATION PERIOD OR RIGHT OF FIRST REFUSAL PURSUANT TO § 8-119 OF THE REAL PROPERTY ARTICLE.

(5) PROMULGATE REGULATIONS RELATED TO THE REQUIREMENTS FOR CONTENT AND DELIVERY OF NOTICES RELATED TO A TENANT'S EXCLUSIVE NEGOTIATION PERIOD OR RIGHT OF FIRST REFUSAL PURSUANT TO § 8-119 OF THE REAL PROPERTY ARTICLE.

5-105.

(A) (1) IN THIS SECTION "PUBLICLY DISCLOSABLE DATA" MEANS DATA THAT IS NOT REQUIRED TO BE WITHHELD FROM DISCLOSURE UNDER THE PUBLIC INFORMATION ACT OR ANY OTHER LAW.

(B) THE DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT SHALL:



(1) PUBLISH THE PUBLICLY DISCLOSABLE DATA RECEIVED BY THE DEPARTMENT PURSUANT TO § 8–119 OF THE REAL PROPERTY ARTICLE IN A DATA DASHBOARD ON THE DEPARTMENT’S WEBSITE; AND

(2) MAKE THE PUBLICLY DISCLOSABLE DATA AVAILABLE FOR DOWNLOAD IN OPEN DATA SETS THAT ALLOW AUTOMATED SEARCHING, SPATIAL ANALYSIS, VISUALIZATION, AND PROCESSING, ON REQUEST BY:

(I) A STATE AGENCY;

(II) AN AGENCY OF A COUNTY OR MUNICIPAL CORPORATION;

OR

(III) AN ACADEMIC INSTITUTION LOCATED IN THE STATE.

Article – Real Property

8–119.

(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(2) “FAMILY MEMBER” MEANS A SPOUSE, FORMER SPOUSE, DOMESTIC PARTNER, FORMER DOMESTIC PARTNER, SON, DAUGHTER, STEPSON, STEPDAUGHTER, PARENT, STEPPARENT, SIBLING, STEPSIBLING, SON-IN-LAW, DAUGHTER-IN-LAW, STEPSON-IN-LAW, STEPDAUGHTER-IN-LAW, PARENT-IN-LAW, STEPPARENT-IN LAW, GRANDPARENT, STEPGRANDPARENT, GRANDCHILD, OR STEPGRANDCHILD.

(3) “OFFER TO PURCHASE” MEANS A GOOD FAITH OFFER TO PURCHASE A RESIDENTIAL RENTAL PROPERTY FOR A PRICE AT WHICH A WILLING SELLER WOULD SELL AND A WILLING BUYER WOULD PURCHASE IN AN ARM’S LENGTH TRANSACTION.

(4) “TENANT” MEANS A LESSEE OF A RESIDENTIAL RENTAL PROPERTY WHO HAS RESIDED AT THE RESIDENTIAL RENTAL PROPERTY FOR NOT LESS THAN 6 MONTHS WHO:

(I) IS A NAMED LESSEE IN THE WRITTEN LEASE; OR

(II) HAS PAID TO THE LESSOR RENTAL PAYMENTS THAT THE LESSOR HAS ACCEPTED UNDER AN UNWRITTEN LEASE AGREEMENT.

(5) “MATERIAL TERMS”:

(I) INCLUDES THE SALES PRICE, SETTLEMENT DATE, AND OTHER CONTINGENCIES;



(II) SHALL NOT INCLUDE THE METHOD OF FINANCING OR WAIVING OF A HOME INSPECTION; AND

(III) SHALL BE COMMERCIALY REASONABLE, FAIR, DONE IN GOOD FAITH, AND ADHERE TO GENERALLY ACCEPTED RESIDENTIAL REAL ESTATE PRACTICES.

(6) “RESIDENTIAL RENTAL PROPERTY” MEANS A TENANT-OCCUPIED RESIDENTIAL RENTAL PROPERTY IMPROVED BY THREE OR FEWER INDIVIDUAL DWELLING UNITS.

(7) “TENANT’S EXCLUSIVE NEGOTIATION PERIOD” MEANS A PERIOD OF TIME IN WHICH A TENANT IS NOTIFIED ABOUT THE TENANT’S RIGHT TO PURCHASE THE PROPERTY AND NEGOTIATE EXCLUSIVELY WITH THE OWNER OF THE RESIDENTIAL RENTAL PROPERTY TO ENTER INTO A CONTRACT OF SALE.

(8) “THIRD PARTY” MEANS A PARTY WHO IS NOT LISTED UNDER SUBSECTION (B) AND IS NOT THE TENANT OF THE RESIDENTIAL RENTAL PROPERTY.

(B) THIS SECTION DOES NOT APPLY TO:

- (1) A TRANSFER OF TITLE TO A FAMILY MEMBER OF THE OWNER;
- (2) A TRANSFER OF TITLE TO A BUSINESS ENTITY OWNED IN WHOLE BY THE OWNER;
- (3) A TRANSFER OF TITLE THROUGH A SHERIFF’S SALE, TAX SALE, ORDER FORECLOSING RIGHT OF REDEMPTION, OR SALE BY FORECLOSURE, PARTITION, OR BY COURT APPOINTED TRUSTEE;
- (4) A TRANSFER BY A FIDUCIARY IN THE COURSE OF THE ADMINISTRATION OF DECEDENT’S ESTATE, GUARDIANSHIP, CONSERVATORSHIP, OR TRUST;
- (5) A TRANSFER OF TITLE PURSUANT TO A TESTAMENTARY DOCUMENT, A TRUST INSTRUMENT OR THROUGH INHERITANCE;
- (6) A TRANSFER OF BARE LEGAL TITLE INTO A REVOCABLE TRUST, WITHOUT ACTUAL CONSIDERATION FOR THE TRANSFER, WHERE THE TRANSFEROR IS THE CURRENT BENEFICIARY OF THE TRUST;
- (7) A TRANSFER OF TITLE TO A GOVERNMENT AGENCY;
- (8) A TRANSFER OF TITLE IN LIEU OF FORECLOSURE OF A MORTGAGE OR DEED OF TRUST;



(9) A TRANSFER OF TITLE PURSUANT TO A COURT ORDER, RECEIVERSHIP OR COURT-APPROVED SETTLEMENT;

(10) A TRANSFER OF TITLE PURSUANT TO THE ORDER OF A BANKRUPTCY COURT OR SALE BY A BANKRUPTCY TRUSTEE OR DEBTOR IN POSSESSION;

(11) A GIFT TRANSFER OF TITLE TO ANY NONPROFIT ORGANIZATION EXEMPT FROM TAXATION UNDER § 501(C)(3) OF THE INTERNAL REVENUE CODE;

(12) A TRANSFER OF TITLE BY A PUBLIC HOUSING AUTHORITY; OR

(13) RESIDENTIAL RENTAL PROPERTY WITH FOUR OR MORE INDIVIDUAL DWELLING UNITS.

(C) (1) AS PROVIDED IN THIS SUBSECTION, BEFORE A RESIDENTIAL RENTAL PROPERTY MAY BE OFFERED FOR SALE TO THE PUBLIC OR ANY THIRD PARTY, THE OWNER AND TENANT SHALL ENTER INTO A TENANT'S EXCLUSIVE NEGOTIATION PERIOD FOR THE PURCHASE OF THE PROPERTY.

(2) (I) AT LEAST 60 DAYS, BUT NO MORE THAN 120 DAYS BEFORE A RESIDENTIAL RENTAL PROPERTY MAY BE LISTED FOR SALE WITH A REAL ESTATE BROKER OR OTHERWISE OFFERED FOR SALE TO THE PUBLIC OR ANY THIRD PARTY, THE OWNER OF THE PROPERTY SHALL CAUSE TO BE SENT TO EACH TENANT OF THE PROPERTY, A WRITTEN NOTICE OF THE TENANT'S RIGHT TO DELIVER AN OFFER TO PURCHASE THE PROPERTY.

(II) THE NOTICE SHALL:

1. BE IN THE FORM THAT THE SECRETARY OF THE DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT PRESCRIBES BY REGULATION;

2. BE DELIVERED BY:

A. UNITED STATES POSTAL SERVICE CERTIFIED MAIL, RETURN RECEIPT REQUESTED; OR

B. DELIVERY SERVICE PROVIDING DELIVERY TRACKING AND CONFIRMATION;

3. CONTAIN MATERIAL TERMS THAT THE OWNER WOULD AGREE TO INCORPORATE IN A RESULTING CONTRACT OF SALE WITH THE TENANT;

4. STATE, IN A CONSPICUOUS MANNER, THAT THE NOTICE IS A SOLICITATION OF AN OFFER TO PURCHASE AND IS NOT INTENDED,



AND MAY NOT BE CONSTRUED TO RESULT IN A BINDING CONTRACT OF SALE;
AND

5. STATE ANY INFORMATION REGARDING DEADLINES
FOR THE TENANT TO SUBMIT AN OFFER TO PURCHASE.

(III) THE OWNER SHALL SEND A COPY OF THE NOTICE TO
THE OFFICE OF TENANTS' RIGHTS BY A METHOD THAT THE SECRETARY OF THE
DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT PRESCRIBES BY
REGULATION.

(3) (I) WITHIN 30 DAYS AFTER RECEIPT OF THE NOTICE, THE
TENANT MAY DELIVER TO THE OWNER A WRITTEN OFFER TO PURCHASE THE
PROPERTY.

(II) IF MULTIPLE TENANTS DELIVER OFFERS TO PURCHASE
THE PROPERTY, THE OWNER MAY SELECT THE MORE FAVORABLE
OFFER WITHOUT LIABILITY TO ANY OTHER TENANT.

(III) WITHIN 5 DAYS AFTER RECEIPT OF THE OFFER TO
PURCHASE, THE OWNER SHALL:

1. ACCEPT THE OFFER IF THE OFFER CONTAINS THE
SAME OR MORE FAVORABLE MATERIAL TERMS AS CONTAINED IN THE NOTICE,
AND NOTIFY THE OFFICE OF TENANTS' RIGHTS; OR

2. DELIVER A COUNTEROFFER TO THE TENANT,
WITH AN EXPLANATION OF HOW THE OFFER DEVIATES FROM THE NOTICE, IF
THE OFFER CONTAINS MATERIAL TERMS THAT DEVIATE FROM THE TERMS OF
THE NOTICE.

(4) (I) WITHIN 5 DAYS AFTER RECEIPT OF THE
COUNTEROFFER, THE TENANT MAY:

1. ACCEPT THE COUNTEROFFER; OR

2. REJECT THE COUNTEROFFER.

(II) IF THE TENANT FAILS TO RESPOND TO THE
COUNTEROFFER WITHIN 5 DAYS AFTER RECEIPT OF THE COUNTEROFFER, THE
COUNTEROFFER IS DEEMED TO BE REJECTED AND THE OWNER SHALL NOTIFY
THE OFFICE OF TENANTS' RIGHTS.

(5) IF THE TENANT DOES NOT DELIVER AN OFFER TO PURCHASE
AS PROVIDED IN PARAGRAPH (3) OF THIS SUBSECTION OR IF THE PARTIES DO
NOT ENTER INTO A CONTRACT OF SALE AS PROVIDED IN PARAGRAPH (4) OF THIS



SUBSECTION, THE TENANT'S RIGHT OF FIRST REFUSAL IS TERMINATED AND THE OWNER SHALL NOTIFY THE OFFICE OF TENANT'S RIGHTS.

(D) (1) A TENANT HAS A RIGHT OF FIRST REFUSAL TO PURCHASE RESIDENTIAL RENTAL PROPERTY AS PROVIDED IN THIS SUBSECTION.

(2) A TENANT HAS A RIGHT OF FIRST REFUSAL TO PURCHASE RESIDENTIAL RENTAL PROPERTY IF:

(I) THE OWNER INTENDS TO ACCEPT AN OFFER FROM A THIRD PARTY TO PURCHASE THE PROPERTY THAT IS AT LEAST 10 PERCENT LESS THAN THE LOWEST PRICE OFFERED TO THE TENANT IN ANY PREVIOUS NOTICE, OFFER OR COUNTEROFFER PURSUANT TO SUBSECTION (C) OF THIS SECTION; OR

(II) THE OWNER, WITHOUT HAVING LISTED THE PROPERTY FOR SALE WITH A REAL ESTATE BROKER OR OTHERWISE OFFERED THE PROPERTY FOR SALE TO THE PUBLIC OR ANY THIRD PARTY, RECEIVES FROM A THIRD PARTY AN OFFER TO PURCHASE THE PROPERTY.

(3) (I) IF THE OWNER RECEIVES AN OFFER TO PURCHASE THE PROPERTY FROM A THIRD PARTY AS SPECIFIED IN SUBSECTION (D)(2) OF THIS SECTION, THE OWNER MAY NOT ACCEPT THE OFFER UNTIL:

1. THE OWNER PROVIDES WRITTEN NOTICE TO THE TENANT OF THE TENANT'S RIGHT OF FIRST REFUSAL; AND

2. THE TENANT HAS AN OPPORTUNITY TO EXERCISE THE RIGHT OF FIRST REFUSAL.

(II) THE WRITTEN NOTICE TO THE TENANT OF THE TENANT'S RIGHT OF FIRST REFUSAL SHALL:

1. BE IN THE FORM THAT THE SECRETARY OF THE DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT PRESCRIBES BY REGULATION;

2. BE DELIVERED BY:

A. UNITED STATES POSTAL SERVICE CERTIFIED MAIL, RETURN RECEIPT REQUESTED; OR

B. DELIVERY SERVICE PROVIDING DELIVERY TRACKING AND CONFIRMATION;

3. CONTAIN THE SAME SALES PRICE AS THE THIRD-PARTY OFFER TO PURCHASE.



4. STATE, IN A CONSPICUOUS MANNER, THAT THE NOTICE IS A SOLICITATION OF AN OFFER TO PURCHASE AND IS NOT INTENDED, AND MAY NOT BE CONSTRUED TO RESULT IN A BINDING CONTRACT OF SALE;

5. STATE ANY INFORMATION REGARDING DEADLINES FOR THE TENANT TO SUBMIT AN OFFER TO PURCHASE;

(III) THE OWNER SHALL SEND A COPY OF THE NOTICE TO THE OFFICE OF TENANTS' RIGHTS BY A METHOD THAT THE SECRETARY OF THE DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT PRESCRIBES BY REGULATION.

(4) (I) THE TENANT MAY, WITHIN 30 DAYS OF RECEIPT OF THE NOTICE UNDER PARAGRAPH (D)(3) OF THIS SUBSECTION, DELIVER AN OFFER TO PURCHASE THE PROPERTY TO THE OWNER.

(II) IF A TENANT DELIVERS AN OFFER TO PURCHASE AT THE SAME SALES PRICE AS THE THIRD-PARTY PURCHASER'S OFFER AS PROVIDED IN THIS PARAGRAPH, THE OWNER SHALL ACCEPT THE OFFER AND NOTIFY THE OFFICE OF TENANTS' RIGHTS.

(III) IF MULTIPLE TENANTS DELIVER OFFERS TO PURCHASE THE PROPERTY, THE OWNER MAY SELECT THE MORE FAVORABLE OFFER WITHOUT LIABILITY TO ANY OTHER TENANT.

(5) IF THE TENANT DOES NOT DELIVER AN OFFER TO PURCHASE THE PROPERTY AS PROVIDED IN PARAGRAPH (4) OF THIS SUBSECTION, THE OWNER MAY ACCEPT THE THIRD-PARTY PURCHASER'S OFFER OF SALE AND THE TENANT'S RIGHT OF FIRST REFUSAL IS WAIVED AND THE OWNER SHALL NOTIFY THE OFFICE OF TENANTS' RIGHTS.

(6) IF THE TENANT AND THE OWNER HAVE ENTERED INTO A CONTRACT OF SALE UNDER PARAGRAPH (4) OF THIS SUBSECTION, BUT THE CONTRACT IS TERMINATED BEFORE SETTLEMENT, THE TENANT'S RIGHT OF FIRST REFUSAL IS WAIVED AND THE OWNER SHALL NOTIFY THE OFFICE OF TENANT'S RIGHTS.

(7) IF A THIRD PARTY DELIVERS AN OFFER TO PURCHASE, THE OWNER SHALL PROVIDE NOTICE TO THE THIRD PARTY ABOUT THE TENANT'S RIGHT OF FIRST REFUSAL UNDER THIS SUBSECTION.

(E) THIS SECTION SHALL NOT BE CONSTRUED AS PROHIBITING AN INDIVIDUAL FROM SUBMITTING AN OFFER TO PURCHASE A PROPERTY LEASED BY THE INDIVIDUAL THAT IS LISTED FOR SALE WITH A LICENSED REAL ESTATE BROKER.



(F) THIS SECTION SHALL NOT BE CONSTRUED AS PROHIBITING MULTIPLE TENANTS FROM JOINTLY DELIVERING AN OFFER TO PURCHASE, OR FROM JOINTLY CONTRACTING TO PURCHASE, RESIDENTIAL RENTAL PROPERTY.

(G) THIS SECTION PREEMPTS ANY LOCAL LAW OR ORDINANCE GOVERNING THE RIGHT OF FIRST REFUSAL OF A JURISDICTION OR TENANT FOR THE PURCHASE OF A RESIDENTIAL RENTAL PROPERTY.

(H) THE RIGHTS OF A TENANT UNDER THIS SECTION MAY NOT BE WAIVED OR ASSIGNED AND ANY ATTEMPTED WAIVER OR ASSIGNMENT IS VOID.

(I) AN OWNER OF RESIDENTIAL REAL PROPERTY WHO VIOLATES THIS SECTION IS GUILTY OF A MISDEMEANOR AND ON CONVICTION IS SUBJECT TO A FINE OF NOT MORE THAN \$1,000 PER VIOLATION.

(J) A TENANT MAY SEEK RELIEF FROM A COURT OF COMPETENT JURISDICTION TO RESTRAIN OR ENJOIN ANY VIOLATION OF THIS SECTION PRIOR TO THE CLOSING OF A CONTRACT OF SALE BETWEEN THE OWNER AND TENANT.

(K) (1) FOLLOWING CLOSING ON A CONTRACT OF SALE BETWEEN OWNER AND TENANT, LIABILITY FOR FAILURE TO COMPLY WITH THIS SUBSECTION SHALL LIE SOLELY WITH THE OWNER AND SHALL NOT ATTACH TO THE PROPERTY THAT IS THE SUBJECT OF THE REQUIRED NOTICE OR AFFECT THE RIGHTS OF THE PURCHASER.

(2) A TENANT WHO BRINGS AN ACTION AFTER CLOSING ON A CONTRACT OF SALE BETWEEN OWNER AND TENANT IN ANY COURT OF LAW AGAINST AN OWNER FOR FAILING TO PROVIDE THE NOTICE REQUIRED BY THIS SECTION MAY NOT FILE A NOTICE OF LIS PENDENS PURSUANT TO MARYLAND RULE 12-102; UPON MOTION OF A PARTY IN INTEREST THE COURT SHALL STRIKE A WRONGFULLY FILED NOTICE OF LIS PENDENS WITHOUT NEED FOR A HEARING.

GHHI Written Testimony - SB481.docx.pdf

Uploaded by: Wesley Stewart

Position: FAV



2714 Hudson Street
Baltimore, MD 21224-4716
P: 410-534-6447
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www.ghhi.org

February 28, 2024

Senator William C. Smith, Jr., Chair
Senate Judicial Proceedings Committee
2 East
Miller Seante Office Building
Annapolis, Maryland 21401

Senator Brian J. Feldman, Chair
Senate Education, Energy and the Environment Committee
2 West
Miller Senate Office Building
Annapolis, Maryland 21401

Re: **FAVORABLE** – SB481 – Renters’ Rights and Stabilization Act of 2024

Dear Chairmen Smith and Feldman and Members of the Committee:

On behalf of the Green & Healthy Homes Initiative (GHHI), I write in support of SB481. I serve as Chair of the Maryland Lead Poisoning Prevention Commission and as a member of the EPA Children’s Health Protection Advisory Committee, the CDC Lead Exposure and Prevention Advisory Committee and the Maryland Green and Healthy Homes Task Force. GHHI is dedicated to addressing the social determinants of health and advancing racial and health equity through the creation of healthy, lead safe and energy efficient homes. GHHI has been at the frontline of lead poisoning prevention and holistic healthy housing for over three decades.

Over its 30-year history, GHHI has developed the holistic energy efficiency, health and housing service delivery model that is implemented in our nationally recognized, Maryland-based direct service program. The model was adopted by the U.S. Department of Housing and Urban Development and is currently being advanced in partner jurisdictions nationally. In addition, GHHI helped to elevate Maryland as a national leader in healthy housing by helping reduce childhood lead poisoning by 99% in the state and helping design over 49 pieces of healthy housing legislation that became law in the State of Maryland and local jurisdictions. By delivering a standard of excellence, GHHI aims to eradicate the negative health impacts of unhealthy housing and unjust policies to ensure better health, economic, and social outcomes for children, seniors and families with an emphasis on Black and Brown low-income communities. GHHI’s holistic intervention approach was recently cited by EPA and HUD as a model for effective coordination of federal healthy homes and weatherization programs and resources.

GHHI Written Testimony – Senate Bill 481
February 28, 2024
Page Two

We are deeply committed in our mission to advance racial and health equity, economic mobility and climate resiliency through healthy and energy efficient low-income homes. GHHI represents tenants across the state for the repair of unsafe housing conditions and provides rental property owner compliance assistance to assist owners in understating their responsibilities under various Maryland laws. By helping improve rental housing affordability and standards, SB481 will play an important role advancing housing stability in Maryland.

SB481's provision setting the maximum allowable security deposit to be one month's rent is critical to addressing both the barriers to tenants obtaining safe housing and their ability to remain in their rental homes. Rental housing affordability is a significant barrier for low income households. Increased security deposits and monthly rental rates are placing financial stress on tenants and contributing to higher tenant eviction rates. Requiring double or greater amounts for security deposits means that many tenants cannot afford the basic requirements to be approved for a rental property as part of the application process. In addition, by requiring double security deposits, tenants are often using up all of their available income and savings to pay the high security deposit cost and starting out their tenancy under financial duress. In other cases, tenants are borrowing funds to pay the double security deposit and increasing their financial debts – placing them in jeopardy to meet their rental obligations in future months. Lastly, exorbitant security deposit requirements also impedes tenant's mobility to move to other areas and counties to seek employment, educational opportunities and better housing for themselves and their families. SB481 is an important tool to address these barriers.

Quality rental housing that is lead certified in accordance with the state law and that meets basic local housing code should not be priced out of reach of low and moderate Maryland residents by requirement of excessive security deposits payments. SB481 is needed to set reasonable security deposit limits that do not force tenants to have to settle for unsafe and poor quality rental housing that places themselves and their families at risk of lead poisoning, household injury, mold, poor indoor air quality and other hazardous conditions.

We applaud the Maryland Department of Housing and Community Development for advocating for the establishment of the Office of Tenant's Rights within the Department. This Office will play an important role in helping to improve housing standards in rental housing, improving tenant rights education and rental property owner compliance assistance on rights and responsibilities, and supporting tenant's rights on key issues and initiatives related to rental housing.

Baltimore City has long maintained a right of first refusal in its local law and SB481 will place into state statute that important right of first refusal for tenants to be provide the opportunity to purchase their rental home. The right of first refusal will increase homeownership opportunities while improving housing stability for tenants who are not forced to permanently relocate.

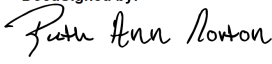
GHHI Written Testimony – Senate Bill 481
February 28, 2024
Page Three

While we support efforts to reduce the abuse and overuse of the District Court rent court process through serial eviction filings by rental property owners that add repeated monthly courts costs to tenant's ledgers and contribute to higher tenant eviction rates, it is important that the increased court filing fees are not passed on to tenants. By increasing the court filing fees for eviction proceedings with the intention to deter rental property owners from habitually filing Failure To Pay Rent actions immediately each month, there remains a risk, however, that tenants could be placed at greater financial peril through increased court costs if owners are permitted to pass those fees onto the tenant each month. The increased filing fee provisions of SB481 must only be passed if strong protections and practices are also included in the Bill that prevent tenants from bearing the financial burden of these increased court costs. Otherwise, greater tenant financial instability and higher tenant eviction rates will surely be the consequence.

There is a significant need in jurisdictions throughout Maryland for increased funding for Rental Assistance Programs and Housing Choice Voucher Programs that support low and moderate income tenants in moving from hazardous or defective housing to lead certified, housing code compliant housing that is safe and affordable. GHHI supports the use of revenue generated from the increased court filing fees under SB481 to expand the resources available for these important programs that help tenants in moving to and affording safer housing.

SB481 is reasonable legislation that is needed to cap security deposit amounts and help maintain a stock of affordable rental housing. SB481 will also improve tenant mobility and ensure greater access to safe rental housing for low and moderate income residents in Maryland. We ask for a Favorable Report on SB481.

Respectfully Submitted,

DocuSigned by:

1A42B3060D6A435...
Ruth Ann Norton
President and CEO

SB 481 Renters' Rights and Stabilization Act

Uploaded by: Brian Anleu

Position: FWA



Bill No: Senate Bill 481 - Renters' Rights and Stabilization Act of 2024

Committee: Judicial Proceedings & Education, Energy and the Environment

Date: February 29, 2024

Position: Favorable with Amendments

The Apartment and Office Building Association of Metropolitan Washington (AOBA). AOBA represents members that own or manage more than 23 million square feet of commercial office space and 133,000 apartment rental units in Montgomery and Prince George's counties.

AOBA understands the desire to keep tenants housed and expand housing options available to tenants by reducing the security deposit that a housing provider can charge. However, raising the eviction filing fee, making the fee unrecoverable, and limiting security deposits to one month's rent is not the way to accomplish these goals.

As AOBA previously shared with this Committee, the cost of evicting tenants and turning over units is already tremendously high. For a detailed breakdown of these costs, please see the attached explainer. Housing providers are partly able to offset these costs by withholding some or all of the security deposit. Common reasons that a housing provider may withhold a security deposit include unpaid rent, damages due breach of lease, and damage that exceeds normal wear and tear to the leased premises. In many cases, these costs will exceed even the current security deposit amount, which raises the cost of housing for all tenants.

Without the additional security of a second month's rent, housing providers will be less willing to rent to riskier tenants. Examples of riskier tenants may include those with spotty or poor rental histories and those with poor or no credit history. A one-month limit for security deposits will make it that much more difficult for these tenants to find housing. Rather than passing this limitation, the Committee should amend the bill to establish a State Security Deposit Assistance Program similar to the one established by the City of Baltimore to help income-eligible tenants.

Regarding the filing fee, AOBA supports a reasonable fee increase that is fully recoverable. Examples of reasonable filing fees include those in Virginia and Delaware, which range from \$46-\$56, as well as those proposed by Chairman Luke Clippinger in House Bill 693 in 2021.

Lastly, AOBA is concerned about the language that requires an administrative judge to stay a warrant of restitution for certain weather conditions or any state of emergency declared under Section 14-107 of the Public Safety Article. Administrative judges already have considerable authority to stay warrants of restitution, and they routinely use this authority. AOBA urges the Committees not to unnecessarily limit the judge's discretion on when to use this authority.

For more information, please contact Brian Anleu, AOBA Vice President of Government Affairs, at banleu@aoba-metro.org

Evictions Are Bad for Business

Evictions are expensive for housing providers to pursue and represent a sunken cost that cannot be recovered. There is no economic incentive for housing providers to file for repossession of an apartment except as a last resort when a lease has been breached, most often for nonpayment of rent, or for jeopardizing the safety or the quality of life of others at the apartment community.

The Built-In Financial Disincentive to Pursuing Eviction

- **Turnover Costs:** *As a general rule of thumb, the cost of turning over a unit is roughly 2-3 month's rent on top of the rent lost during the legal process.* This is attributable to costs for cleaning, repairs, painting, carpet replacement, marketing, new tenant screening and other similar administrative items.
- **Rent Loss During Legal Process:** As of November 2022, the legal process was running approximately 155-222 days in Montgomery County and about 146-190 days in Prince George's County. ***This equates to around 6 months' lost rental income.***
- **Legal Costs:** Legal costs can vary significantly based on the case, but include filing fees, service of warrants and summonses, and attorneys' costs. The low-end average cost of an eviction filing runs around \$500, but can easily run into the thousands of dollars in a contested case.
- **Time off Market:** Notably, the industry standard 2-3 month's rent cost to turnover a unit assumes the immediate turnover of that unit. A housing provider's losses can continue to accrue each month that a unit sits vacant. ***Currently, it is running about 30-60 days to relet a unit once possession has been gained, resulting in an additional 1-2 months' lost rental income.***

Totaled, a single eviction costs the housing provider in excess of \$20,000. Add legal costs into the mix and that means that a housing provider is deprived of approximately 85% of their annual income associated with a particular asset when they are forced to pursue an eviction. (Note: Legal sources cite that *fewer than one in five cases see housing providers collect any portion of the debt owed by the tenant*).

Example

Standard 2-bedroom unit located in Montgomery County leasing at a market average rate of \$2,181 per month.

\$5,453	+	\$13,086	+	\$3,272	=	\$21,811
Turnover costs (Monthly rent X 2.5)		Rent loss during legal process (Monthly rent X 6)		Time off market (Monthly rent X 1.5)		

CONTACT

Brian Anleu | 240.381.0494 | banleu@aoba-metro.org

Ryan Washington | 202.770.7713 | rWASHINGTON@aoba-metro.org



APARTMENT AND OFFICE
BUILDING ASSOCIATION
OF METROPOLITAN
WASHINGTON

Testimony SB0481 Ramos.pdf

Uploaded by: Councilwoman Odette Ramos

Position: FWA



Odette Ramos

Baltimore City Councilwoman

District 14

(410) 396 - 4814

odette.ramos@baltimorecity.gov

100 N. Holliday Street, Room 506

Baltimore MD 21202

Testimony

**SB0481 – Renters’ Rights and Stabilization Act
Support with Amendments
February 28, 2024**

Honorable Chair Smith and Distinguished Members of the Judicial Proceedings Committee:

I am writing to urge your support of SB0481, Renters’ Rights and Stabilization Act with amendments.

Specifically, the Tenant Opportunity to Purchase or Right of First Refusal portion of the bill. Baltimore recently passed an updated version of our Tenant Opportunity to Purchase Act, and I named it after my predecessor Councilwoman Mary Pat Clarke.

When Councilwoman Clarke was president of the City Council in the late 1980s, she introduced the nation’s first Right of First Refusal act. This was designed to ensure that renters in single family homes would be able to purchase the home they have been living in as renters when the owner was ready to sell. Owners of the buildings could no longer just sell the home out from under the renter. As a matter of fact, I bought my first home in Baltimore City in 1997 using this program.

In the rare event that Councilwoman Clarke was not in office, leadership at that time watered down the bill to a point where it was not effective. In 2023, we passed the Councilwoman Mary Pat Clarke Tenant Opportunity to Purchase Act to honor my predecessor’s legacy, but also do something to ensure that renters can more easily become homeowners.

In the Mary Park Clarke Tenant Opportunity to Purchase Act, before an owner of a single-family rental can put the home on the market, they have to approach the tenant and offer the home for sale. There is a negotiation period and a period where the renter has to send in their intent to purchase the property. If they cannot at that time, the owner can put the property on the market. If a contract that the landlord is considering is 10% less – or more than that – they landlord has to go back to the tenant and offer that new amount. Our bill passed unanimously in our City Council, and I want to thank my colleagues for their support.

SB0481 has many similarities to our bill. It would assist renters to stay in their homes and have an opportunity to for homeownership.

Respectfully Submitted:

Odette Ramos
Baltimore City Councilwoman, District 14

SB 481 Renters' Rights Stabilization Act_HABC Te

Uploaded by: Crystal Hypolite

Position: FWA

Robin Carter
Chairperson, Board of Commissioners
Janet Abrahams
President | Chief Executive Officer



February 29, 2024

TO: Members of the Environmental and Transportation Committee
FROM: Housing Authority of Baltimore City
RE: Senate Bill 481 Renters' Rights and Stabilization Act of 2024
POSITION: Support with Amendments

Chair Korman, Vice-Chair Boyce, and Members of the Committee, please be advised that the Housing Authority of Baltimore City (HABC) supports Senate Bill 481 - Renters' Rights and Stabilization Act of 2024. This bill enhances protections for renters, strengthens the enforcement of existing laws and reduces the impact of evictions on tenants. HABC fully supports the bill's intention of keeping families stably housed and would like to offer friendly amendments.

HABC is the largest public housing authority in the State of Maryland and the fifth largest in the country. The agency provides federally funded housing assistance and related services to over 20,000 low-income households in Baltimore City through its Public Housing and Housing Choice Voucher programs. With over 57,000 additional households on our waiting lists for both programs combined, we understand the significant need for affordable housing in the state and are pleased that this administration is making housing a top priority. HABC recommends the amendments discussed below to provide consideration for the unique position of public housing authorities (PHAs), which are responsible for providing safe and affordable housing to vulnerable populations while ensuring that federal requirements are met. HB 693 proposes to increase the current filing fee surcharge for summary ejectment, tenant holding over and breach of lease cases from \$8.00 to \$93.00, thereby increasing the total cost of filing from \$15.00 to \$100.00.

It is always HABC's goal to work with households who are struggling to pay rent and to provide them with resources and opportunities to pay overdue balances, and litigation is used only as a last resort to address rent arrearages. In addition to the 10-day notice that the State requires landlords to send to tenants prior to initiating a failure to pay rent action, HABC and other PHAs are currently required by the U.S. Department of Housing and Urban Development (HUD) to provide a 30-day notice for lease termination actions. This notice specifies the amount that the tenant owed and for what period and informs the household of their tenant rights under HUD regulations, such as the right to reply to the notice, examine the documents, file a grievance and seek protection under the Violence Against Women Act (VAWA).

HABC takes steps to work with residents who have overdue rent balances to enter into repayment agreements for payment of their back rent. We also engage in outreach campaigns to encourage residents to pay their rent and/or seek eviction prevention assistance. Despite efforts to collect back rent outside of court, HABC still has many residents who owe significant rent arrears that have accumulated over the years, particularly during the Covid-19 pandemic. As a result, HABC's current backlog of tenant rent owed is over \$3.8 million.

Unfortunately, some residents repeatedly do not pay their rent until after the failure to pay rent case is filed in court, resulting in multiple rent court filings against the same households during the year. The cost of filing fees cannot be recouped if the resident pays before trial. HABC sends approximately 2,200 30-day notices to terminate for breach of lease every month. On average, about 1,300 make a payment or enter

Housing Authority of Baltimore City | 417 East Fayette Street, Baltimore, MD 21202

410.396.3232 www.HABC.org @BmoreHabc

into a repayment agreement after HABC files a failure to pay rent action in court.

Adding a surcharge to file a summary ejectment case in rent court would place a harsh financial burden on HABC. The proposed surcharge of up to \$93.00 on 900 rent cases monthly, for instance, would add another \$83,700 to file those cases. In addition to failure to pay rent cases, HABC also files breach of lease actions due to lease violations, including criminal activity. The surcharge would be a crushing burden on HABC and would severely impact the agency's ability to serve our residents.

Market rate landlords can simply spread the additional filing fee across all residents by making small rent increases. HABC and other affordable housing providers cannot raise rents since regulations governing such programs set strict rent limits. Further, PHAs are mandated by federal regulations to ensure that residents comply with their leases, which requires the filing of a court action for lease violations when alternative measures are not possible. Additionally, HABC cannot choose not to renew a lease at the end of its term for residents who repeatedly pay late or fail to pay. The leases for public housing residents automatically renew unless terminated through a court action.

HABC and other housing authorities in Maryland would be adversely affected if SB 481 were to pass because this surcharge would have to be paid from each PHA's allocation of federal operating funds, which are granted by HUD to operate the public housing program. Every dollar paid for the fee would be a dollar less that could be used to house one of the thousands of residents on our wait list or on the lengthy wait lists all across the state.

HABC respectfully requests an amendment to exempt public housing authorities from this surcharge increase. If such an exemption is not made, HABC respectfully requests a significant reduction in the surcharge increase for public housing authorities.

For the reasons stated above, HABC respectfully requests a favorable report on SB 481 with amendments.

HABC is authorized to state that the following Maryland PHAs join in HABC's report on this bill:

- **Housing Authority of the City of Annapolis**
- **Housing Authority of the City of Hagerstown**
- **Housing Commission of Anne Arundel County**
- **Howard County Housing Commission**

SB 481_Support w.amendments_FINAL.pdf

Uploaded by: David Prater

Position: FWA

Senate Judicial Proceedings Committee
February 20, 2024
SB 481 – Renters’ Rights and Stabilization Act of 2024
Position: Support with Amendments

The undersigned individuals and organizations **support with amendments** SB 481. Specifically, we strongly recommend amendments to strike language from SB 481 that would amend the Statewide Voucher Program (HB 826) signed into law in 2023. We have discussed our concerns with the Governor’s Office and understand their intent to submit amendments to remove language amending the Statewide Voucher Program from SB 481. We support the other provisions of the bill without amendment.

As we explained in our testimony last year in support of the Statewide Voucher Bill (HB 826):

People with disabilities are more likely than their non-disabled peers to experience unemployment and poverty,¹ and nationwide, about 4.1 million people with disabilities spend more than half of their income on rent.² In Maryland, more than half of all people with disabilities had annual household incomes below \$15,000 in 2016.³ While many people with disabilities receive monthly Supplemental Security Income (SSI) benefits, SSI payments alone are usually not enough to afford market-rate housing. In 2023, the average monthly rent of a one-bedroom apartment in Maryland was \$1,111, while monthly SSI payments were just \$841.⁴ Consequently, many people with disabilities are forced into homelessness, nursing homes, State hospitals, emergency rooms, and Maryland’s jails and prisons.

There is a tremendous need for rental housing assistance across various constituencies and we appreciate the willingness of the Governor’s Office to consider how to respond effectively to these needs, including the disability community.

Respectfully submitted,

Dave Drezner, The Freedom Center
Katie Farinholt, NAMI
Gail Goodwin, Shared Support Maryland
Floyd Hartley, Consumer Advocates for Rider Services (CARS)
Chris Kelter, Accessible Resources for Independence, Inc.
Ande Kolp, The Arc of Maryland

¹ Debra L. Brucker et al., *Health and Health Services Access Among Adults with Disabilities Who Receive Federal Housing Assistance*, HOUSING POLICY DEBATE, Aug. 29, 2017, at 1.

² About 4.1 million people with disabilities nationwide pay more than half of their income on rent. CENTER ON BUDGET AND POLICY PRIORITIES, UNITED STATES FEDERAL RENTAL ASSISTANCE FACT SHEET (2021), <https://www.cbpp.org/sites/default/files/atoms/files/12-10-19hou-factsheet-us.pdf>.

³ MD. DEP’T OF HEALTH, BRFSS BRIEF: DISABILITY AND HEALTH AMONG MARYLAND ADULTS (August 2018), https://health.maryland.gov/bhm/DHIP/Documents/BRFSS_BRIEF_2018-08_Disability.pdf.

⁴ TECHNICAL ASSISTANCE COLLABORATIVE, PRICED OUT: THE HOUSING CRISIS FOR PEOPLE WITH DISABILITIES (2022), <http://www.tacinc.org/knowledge-resources/priced-out-v2/>.

Rachel London, Maryland Developmental Disabilities Council
Shannon Minnick, Independence Now
Ronza Othman, National Federation of the Blind Maryland
David Prater, Disability Rights Maryland
Katie Rouse, On Our Own of Maryland, Inc.
Mat Rice, People on the Go
Sandra Sermons, American Council of the Blind of Maryland

SB 481 - MMHA - Favorable with Amendments.pdf

Uploaded by: Grason Wiggins

Position: FWA



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.

SB481_HSUS_FWA.pdf

Uploaded by: Jennifer Bevan-Dangel

Position: FWA



**THE HUMANE SOCIETY
OF THE UNITED STATES**

February 29, 2024
Judicial Proceedings Committee
Education, Energy, and the Environment Committee
SB481
Renters' Rights and Stabilization Act of 2024
FAVORABLE WITH AMENDMENTS

On behalf of the Humane Society of the United States (HSUS) and our Maryland supporters, we write in strong support of Senate Bill 481, which will enhance protections for Marylanders who are facing housing insecurity. We encourage the committee to also consider provisions that would protect the human/pet bond in relation to housing security.

In Maryland, 33% of households rent their homes¹ and approximately 16 percent of renters are behind on their rent². According to the National Low Income Housing Coalition (NLIHC), a person earning minimum wage would have to work 82 hours each week to afford a modest, 1-bedroom rental home at fair market rent in Maryland.³

We applaud and strongly support this legislation because housing security is essential for keeping people and pets together. The recent surge in pet surrenders overwhelming our shelters is due in large part to the housing crisis facing Marylanders. This connection is documented in a recent Baltimore Banner article, which states: “trouble finding affordable housing that allows pets is now the most common reason animals are surrendered at Baltimore-area shelters.”⁴

Throughout the COVID-19 pandemic, in the face of an unprecedented public health emergency, our nation took immediate action to keep families stably housed by swiftly enacting eviction moratoriums and funding emergency rental assistance—critical tools that helped keep families and their pets at home. Likewise, many organizations, including HSUS, helped by supporting vulnerable communities and delivering vital services to pet owners including affordable, accessible veterinary care, supplying pet food and resources, and by advocating for pet-inclusive subsidized housing because a deep connection with pets transcends boundaries of socio-economics, race, ethnicity and geography, and no one should be denied the opportunity to experience the benefits, joy and comfort that come from the human-animal bond. Despite

¹ “Maryland.” National Low Income Housing Coalition. Accessed January 31, 2022.
<https://reports.nlihc.org/oor/maryland>.

² “ERASE Tenant Protections Resource Page”. NLIHC Tenant Protections Database. February 1, 2022.

³ “Out of Reach: Maryland.” National Low Income Housing Coalition, February 1, 2022.
<https://reports.nlihc.org/sites/default/files/oor/files/reports/state/md-2021-oor.pdf>.

⁴ [How bad is Maryland’s housing crisis? Check the animal shelters - The Baltimore Banner](#); January 20, 2024



assistance at all levels of government, many renters find difficulty securing housing suitable for their entire family.

A record number of households and nearly three-fourths of renters have pets, and while a majority of Americans consider their pets to be family members many tenants say they have trouble finding “pet friendly” properties. One explanation found by a recent industry report showed that although 76 percent of owner/operators say their properties are pet-friendly, 72 percent of residents surveyed said that pet-friendly housing is hard to find, and 59 percent say it’s too expensive.⁵

The scarcity in properties that welcome all pets is often associated with policies that include arbitrary restrictions such as breed, weight and number limits that create unnecessary barriers for pet-owning tenants. To the detriment of many owner/operators, this disconnection is a hindrance and leaves money on the table as vacant units in pet-inclusive properties fill faster than those in non-pet-friendly housing and on average, residents stay 21 percent longer. The study found additional financial benefits as well, including that fewer than 10 percent of all pets cause damages of any kind and the average pet deposit will cover any damage that is caused.

Stable, secure rental housing is critical for our families and our companion animals. We applaud the Governor’s leadership on this important issue and encourage this committee to also consider language that would expand the availability of pet-friendly housing for renters. Pet-inclusive properties are not only good for tenants, but they’re good for housing providers. We thank the committee for consideration of this important legislation and urge your support of SB 481, and are happy to work with the committee on amendments to ensure all our family members can find and retain suitable housing.

⁵ “2021 Pet-Inclusive Housing Report.” Michelson Found Animals and HARBI. Accessed January 31, 2022. <https://www.foundanimals.org/pets-and-housing/2021-pet-inclusive-housing-report/>.

SB481_MoCoDHCA_Frey_FWA.pdf

Uploaded by: Leslie Frey

Position: FWA



Montgomery County

Office of Intergovernmental Relations

ROCKVILLE: 240-777-6550

ANNAPOLIS: 240-777-8270

SB 481

DATE: February 29, 2024

SPONSOR: The President (By Request - Administration)

ASSIGNED TO: Judicial Proceedings & Education, Energy, and the Environment

CONTACT PERSON: Leslie Frey (leslie.frey@montgomerycountymd.gov)

POSITION: SUPPORT WITH AMENDMENT (Department of Housing and Community Affairs)

Renters' Rights and Stabilization Act of 2024

Among other provisions, Senate Bill 481 increases surcharges from \$8 to \$93 for cases of ejection, tenant holding over, and breach of lease that seeks a judgment for possession of residential property against a residential tenant filed in the District Court and prohibits the court from assigning the surcharge against a tenant; alters the priority and criteria in the Statewide Rental Assistance Voucher Program that are followed by the Department of Housing and Community Development (DHCD) and public housing agencies for providing vouchers and housing assistance payments to families; establishes the Office of Tenants' Rights in DHCD and requires the Office to develop and publish a Maryland Tenants' Bill of Rights; requires the most recently published version of the Maryland Tenants' Bill of Rights to be included as part of a residential lease; limits the maximum security deposit required by a residential lease to one month's rent; and requires that before a voluntary transfer of title to a residential property of four or fewer units occurs, any tenant or group of tenants of the property shall have the right of first refusal to purchase the property. Montgomery County Department of Housing and Community Affairs (MCDHCA) strongly supports the rights and protections offered by Senate Bill 481 and respectfully requests an amendment to ensure that local county law guaranteeing the right of first refusal to purchase a rental property with four units by a local government, housing authority, or tenant group be exempt from preemption under the bill.

The bill contains a clause preempting any local law or ordinance governing the right of first refusal of a jurisdiction or tenant for the purchase of a residential property with four or fewer individual dwelling units. ¹ Under Montgomery County law, the County and the Housing Opportunities Commission (HOC), along with tenant organizations, have right of first refusal for rental properties with 4 or more units ([Sec. 53A-4](#)); the preemption clause in SB481 at 8-119(k) would make it so that the County and HOC would no longer have ROFR for properties with 4 units, a right which the County has exercised in recent years. The preference of MCDHCA would be to amend the bill to eliminate the preemption of local law so that the County, HOC, and tenants of properties with four units would continue to have right of first refusal to purchase under County law, and the amendment language to this effect is included in this testimony on the following page. However, if the bill were to be amended to preempt only local laws or ordinances governing the right of first refusal for the purchase of a residential property with three or fewer individual dwelling units, this would alleviate MCDHCA's concern.

MCDHCA respectfully requests a favorable report on Senate Bill 481 with an amendment to protect local laws governing the right of first refusal for residential properties with four individual dwelling units.

¹ Real Property – Article 8-119(k), bill pg. 12 beginning in line 17.

AMENDMENTS TO SENATE BILL 481
(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in line 18, strike beginning with “and” and continuing through “law”.

AMENDMENT NO. 2

On page 12, in line 17, strike beginning with “**(K)**” and continuing through “.” in line 19.

MBIA Letter of Support SB483.pdf

Uploaded by: Lori Graf

Position: FWA

February 19th, 2024

The Honorable Brian Feldman
Chairman, Education, Energy, and the Environment Committee
2 West Miller Senate Office Building
Annapolis, Maryland 21401

RE: SB483 - Maryland Community Investment Corporation - Establishment (Housing and Community Development Financing Act of 2024)

Dear Chairman Feldman:

The Maryland Building Industry Association, representing 100,000 employees statewide, appreciates the opportunity to participate in the discussion surrounding the Maryland Community Investment Corporation - Establishment (Housing and Community Development Financing Act of 2024). MBIA **Supports** the Act in its current version.

SB483 is a critical piece of legislation as it would create the Maryland Community Investment Corporation, which would make loans or investments aimed at developing and improving communities. We are in a housing crisis and on the verge of a major economic downturn if this issue is not addressed. Investing in economic development is more important than ever during times of retraction and downturn as communities strategize for business growth and resiliency. Economic developers and the programs they implement are an investment in growing and sustaining local economies.

This bill would channel federal funds into local communities, funding infrastructure for community-based projects helps to create since it can support projects that have multi-state or national benefits and ensure the and according to the Moore administration the creation of this program would direct an estimated \$50 million in federal funding to invest in community projects.

For these reasons, MBIA respectfully urges the Committee to give this measure **a favorable** report. Thank you for your consideration.

For more information about this position, please contact Lori Graf at 410-800-7327 or lgraf@marylandbuilders.org.

cc: Members of the Education, Energy, and the Environment Committee

MLTA SB 0481 Written Testimony--Final.pdf

Uploaded by: Mark Glazer

Position: FWA



1783 Forest Drive, Suite 305, Annapolis, MD 21401 | (443) 620-4408 ph. | (443) 458-9437 fax

To: Honorable Chair and Members of the Judicial Proceedings Committee

From: MLTA Legislative Committee

Date: February 28, 2024 [Hearing date: February 29, 2024]

Subject: **SB 0481** – Renters' Rights and Stabilization Act of 2024

Position: **Favorable With Amendments**

The Maryland Land Title Association (MLTA) asks that you return a **favorable with amendments recommendation for Senate Bill 481** – Renters' Rights and Stabilization Act of 2024.

The MLTA, while acknowledging that the Bill has laudable objectives initially opposed the Bill, particularly the addition of Section 8-119 to the Real Property Code of Maryland. This section, referred to as the tenants right of first refusal, in its present form could adversely affect the title held by owners of real estate, cause delays in the settlement process and increase risks to title insurers, leading to increased premiums for title insurance.

The MLTA has met with the Governor's office and it is our understanding that the MLTA's concerns have been or are being addressed and that an amended version of the bill is forthcoming. These amendments would allow the MLTA to change its initial position on SB 481 from unfavorable to favorable with amendments. The proposed amendments that have been shared with the MLTA by the Governor's office are attached to this testimony as Exhibit 1. Below, however, are the MLTA's concerns with the legislation presently before you.

By way of background, interests in real property are conveyed by deeds that are recorded in Baltimore City and the County Land Records offices in which the real property is located. When real property is sold or transferred, the real estate industry is charged with the responsibility of reviewing the public records such as land records, tax records, and court records to determine that owners and lenders have marketable and insurable title.

The Bill as presently introduced creates a myriad of problems for the title industry as (i) most residential leases, being less than 7 years, are never recorded in the Land Records and (ii) it fails to establish a workable verification process through third-party validation and compliance. Rather, it requires that title insurers rely upon an affidavit from an interested party, namely the seller/landlord, to attest that the law has been complied with and that the tenants did not express an interest in exercising their right of first refusal. Failure to comply with the law may delay or prevent settlement altogether. A non-complying seller has a financial incentive to be less than forthcoming in their affidavit. Our industry would have no means with which to verify the veracity of the seller's/landlord's statement.

Non-compliance with the law could result in an aggrieved tenant being able to unwind a real estate transaction. This would obviously harm unknowing purchasers, but it also harms title insurers and lenders that have accepted liability and expended money through the closing process. Additionally, should a tenant challenge title because the landlord failed to comply with the law, the title insurer under its title insurance policy has a duty to defend the unknowing purchaser.

Because our industry is unable to independently verify compliance with the law and failure to comply with the law would be exorbitantly costly to our industry (having to pay for lawsuits and possible loss of title), our industry most likely would take exception to the law in its title policies. When a title policy has an exception that means that matter that is excepted to will not be covered by the title policy. This would result

in home purchasers having to come up with tens of thousands of dollars to defend the title to their homes. Further, the exception also would appear in the lender's title insurance policy and most lender's will not accept an exception in the policy that could up end their loan and will not loan money under those circumstances. Meaning that if the purchaser is financing their home purchase, they would not be able to obtain financing.

It is important to note that the District of Columbia, after implementing a far more rigorous program for over 30 years, chose to substantially amend its tenant opportunity laws with respect to single family dwellings and, in the process removed the ability to challenge title or the title professional involved in the transaction.

The Maryland Land Title Association is unable to support the bill in its present form, but has offered amendments that would allow tenants a right of first refusal while maintaining an avenue of recourse against a non-complying seller without affecting the orderly transfer of title.

The MLTA therefore anticipates changing its stance on SB 0481 and respectfully requests that you return a **favorable with amendments recommendation for Senate Bill 0481**.

www.mdltta.org

Exhibit 1

The Maryland Land Title Association's position on Senate Bill 0481 is Favorable with the following Amendments.

[Amendments included on the following pages.]

Article – Housing and Community Development

5–104.

(A) THE OFFICE SHALL:

(1) DEVELOP RESOURCES TO AID TENANTS IN UNDERSTANDING AND EXERCISING THE LEGAL RIGHTS OF TENANTS, INCLUDING:

(I) A MARYLAND TENANTS’ BILL OF RIGHTS, SUMMARIZING THE EXISTING RIGHTS AND REMEDIES AVAILABLE TO RESIDENTIAL TENANTS UNDER STATE AND FEDERAL LAW; AND

(II) A PUBLICLY ACCESSIBLE WEBSITE TO PROVIDE ACCESS TO THE MARYLAND TENANTS’ BILL OF RIGHTS AND OTHER RELEVANT INFORMATIONAL RESOURCES;

(2) ESTABLISH POINTS OF CONTACT WITHIN THE OFFICE BY WHICH A TENANT MAY REPORT A VIOLATION BY A LANDLORD OR A PERSON ACTING ON BEHALF OF A LANDLORD FOR REFERRAL TO APPROPRIATE ENFORCEMENT AGENCIES; AND

(3) PROVIDE RESOURCES TO FACILITATE ACCESS BY TENANTS TO CREDIT COUNSELING.

(4) RECEIVE NOTICES AND OTHER DOCUMENTS RELATED TO A TENANT’S EXCLUSIVE NEGOTIATION PERIOD OR RIGHT OF FIRST REFUSAL PURSUANT TO § 8–119 OF THE REAL PROPERTY ARTICLE.

(5) PROMULGATE REGULATIONS RELATED TO THE REQUIREMENTS FOR CONTENT AND DELIVERY OF NOTICES RELATED TO A TENANT’S EXCLUSIVE NEGOTIATION PERIOD OR RIGHT OF FIRST REFUSAL PURSUANT TO § 8–119 OF THE REAL PROPERTY ARTICLE.

5–105.

(A) (1) IN THIS SECTION “PUBLICLY DISCLOSABLE DATA” MEANS DATA THAT IS NOT REQUIRED TO BE WITHHELD FROM DISCLOSURE UNDER THE PUBLIC INFORMATION ACT OR ANY OTHER LAW.

(B) THE DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT SHALL:

(1) PUBLISH THE PUBLICLY DISCLOSABLE DATA RECEIVED BY THE DEPARTMENT PURSUANT TO § 8–119 OF THE REAL PROPERTY ARTICLE IN A DATA DASHBOARD ON THE DEPARTMENT’S WEBSITE; AND

(2) MAKE THE PUBLICLY DISCLOSABLE DATA AVAILABLE FOR DOWNLOAD IN OPEN DATA SETS THAT ALLOW AUTOMATED SEARCHING, SPATIAL ANALYSIS, VISUALIZATION, AND PROCESSING, ON REQUEST BY:

(I) A STATE AGENCY;

- (II) AN AGENCY OF A COUNTY OR MUNICIPAL CORPORATION;
- OR
- (III) AN ACADEMIC INSTITUTION LOCATED IN THE STATE.

Article – Real Property

8–119.

(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(2) “FAMILY MEMBER” MEANS A SPOUSE, FORMER SPOUSE, DOMESTIC PARTNER, FORMER DOMESTIC PARTNER, SON, DAUGHTER, STEPSON, STEPDAUGHTER, PARENT, STEPPARENT, SIBLING, STEPSIBLING, SON-IN-LAW, DAUGHTER-IN-LAW, STEPSON-IN-LAW, STEPDAUGHTER-IN-LAW, PARENT-IN-LAW, STEPPARENT-IN LAW, GRANDPARENT, STEPGRANDPARENT, GRANDCHILD, OR STEPGRANDCHILD.

(3) “OFFER TO PURCHASE” MEANS A GOOD FAITH OFFER TO PURCHASE A RESIDENTIAL RENTAL PROPERTY FOR A PRICE AT WHICH A WILLING SELLER WOULD SELL AND A WILLING BUYER WOULD PURCHASE IN AN ARM’S LENGTH TRANSACTION.

(4) “TENANT” MEANS A LESSEE OF A RESIDENTIAL RENTAL PROPERTY WHO HAS RESIDED AT THE RESIDENTIAL RENTAL PROPERTY FOR NOT LESS THAN 6 MONTHS WHO:

(I) IS A NAMED LESSEE IN THE WRITTEN LEASE; OR

(II) HAS PAID TO THE LESSOR RENTAL PAYMENTS THAT THE LESSOR HAS ACCEPTED UNDER AN UNWRITTEN LEASE AGREEMENT.

(5) “MATERIAL TERMS”:

(I) INCLUDES THE SALES PRICE, SETTLEMENT DATE, AND OTHER CONTINGENCIES;

(II) SHALL NOT INCLUDE THE METHOD OF FINANCING OR WAIVING OF A HOME INSPECTION; AND

(III) SHALL BE COMMERCIALY REASONABLE, FAIR, DONE IN GOOD FAITH, AND ADHERE TO GENERALLY ACCEPTED RESIDENTIAL REAL ESTATE PRACTICES.

(6) “RESIDENTIAL RENTAL PROPERTY” MEANS A TENANT-OCCUPIED RESIDENTIAL RENTAL PROPERTY IMPROVED BY THREE OR FEWER INDIVIDUAL DWELLING UNITS.

(7) “TENANT’S EXCLUSIVE NEGOTIATION PERIOD” MEANS A PERIOD OF TIME IN WHICH A TENANT IS NOTIFIED ABOUT THE TENANT’S RIGHT

TO PURCHASE THE PROPERTY AND NEGOTIATE EXCLUSIVELY WITH THE OWNER OF THE RESIDENTIAL RENTAL PROPERTY TO ENTER INTO A CONTRACT OF SALE.

(8) “THIRD PARTY” MEANS A PARTY WHO IS NOT LISTED UNDER SUBSECTION (B) AND IS NOT THE TENANT OF THE RESIDENTIAL RENTAL PROPERTY.

(B) THIS SECTION DOES NOT APPLY TO:

(1) A TRANSFER OF TITLE TO A FAMILY MEMBER OF THE OWNER;

(2) A TRANSFER OF TITLE TO A BUSINESS ENTITY OWNED IN WHOLE BY THE OWNER;

(3) A TRANSFER OF TITLE THROUGH A SHERIFF’S SALE, TAX SALE, ORDER FORECLOSING RIGHT OF REDEMPTION, OR SALE BY FORECLOSURE, PARTITION, OR BY COURT APPOINTED TRUSTEE;

(4) A TRANSFER BY A FIDUCIARY IN THE COURSE OF THE ADMINISTRATION OF DECEDENT’S ESTATE, GUARDIANSHIP, CONSERVATORSHIP, OR TRUST;

(5) A TRANSFER OF TITLE PURSUANT TO A TESTAMENTARY DOCUMENT, A TRUST INSTRUMENT OR THROUGH INHERITANCE;

(6) A TRANSFER OF BARE LEGAL TITLE INTO A REVOCABLE TRUST, WITHOUT ACTUAL CONSIDERATION FOR THE TRANSFER, WHERE THE TRANSFEROR IS THE CURRENT BENEFICIARY OF THE TRUST;

(7) A TRANSFER OF TITLE TO A GOVERNMENT AGENCY;

(8) A TRANSFER OF TITLE IN LIEU OF FORECLOSURE OF A MORTGAGE OR DEED OF TRUST;

(9) A TRANSFER OF TITLE PURSUANT TO A COURT ORDER, RECEIVERSHIP OR COURT-APPROVED SETTLEMENT;

(10) A TRANSFER OF TITLE PURSUANT TO THE ORDER OF A BANKRUPTCY COURT OR SALE BY A BANKRUPTCY TRUSTEE OR DEBTOR IN POSSESSION;

(11) A GIFT TRANSFER OF TITLE TO ANY NONPROFIT ORGANIZATION EXEMPT FROM TAXATION UNDER § 501(C)(3) OF THE INTERNAL REVENUE CODE;

(12) A TRANSFER OF TITLE BY A PUBLIC HOUSING AUTHORITY; OR

(13) RESIDENTIAL RENTAL PROPERTY WITH FOUR OR MORE INDIVIDUAL DWELLING UNITS.

(C) (1) AS PROVIDED IN THIS SUBSECTION, BEFORE A RESIDENTIAL RENTAL PROPERTY MAY BE OFFERED FOR SALE TO THE PUBLIC OR ANY THIRD PARTY, THE OWNER AND TENANT SHALL ENTER INTO A TENANT’S EXCLUSIVE NEGOTIATION PERIOD FOR THE PURCHASE OF THE PROPERTY.

(2) (I) AT LEAST 60 DAYS, BUT NO MORE THAN 120 DAYS BEFORE A RESIDENTIAL RENTAL PROPERTY MAY BE LISTED FOR SALE WITH A REAL ESTATE BROKER OR OTHERWISE OFFERED FOR SALE TO THE PUBLIC OR ANY THIRD PARTY, THE OWNER OF THE PROPERTY SHALL CAUSE TO BE SENT TO EACH TENANT OF THE PROPERTY, A WRITTEN NOTICE OF THE TENANT'S RIGHT TO DELIVER AN OFFER TO PURCHASE THE PROPERTY.

(II) THE NOTICE SHALL:

1. BE IN THE FORM THAT THE SECRETARY OF THE DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT PRESCRIBES BY REGULATION;

2. BE DELIVERED BY:

A. UNITED STATES POSTAL SERVICE CERTIFIED MAIL, RETURN RECEIPT REQUESTED; OR

B. DELIVERY SERVICE PROVIDING DELIVERY TRACKING AND CONFIRMATION;

3. CONTAIN MATERIAL TERMS THAT THE OWNER WOULD AGREE TO INCORPORATE IN A RESULTING CONTRACT OF SALE WITH THE TENANT;

4. STATE, IN A CONSPICUOUS MANNER, THAT THE NOTICE IS A SOLICITATION OF AN OFFER TO PURCHASE AND IS NOT INTENDED, AND MAY NOT BE CONSTRUED TO RESULT IN A BINDING CONTRACT OF SALE; AND

5. STATE ANY INFORMATION REGARDING DEADLINES FOR THE TENANT TO SUBMIT AN OFFER TO PURCHASE.

(III) THE OWNER SHALL SEND A COPY OF THE NOTICE TO THE OFFICE OF TENANTS' RIGHTS BY A METHOD THAT THE SECRETARY OF THE DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT PRESCRIBES BY REGULATION.

(3) (I) WITHIN 30 DAYS AFTER RECEIPT OF THE NOTICE, THE TENANT MAY DELIVER TO THE OWNER A WRITTEN OFFER TO PURCHASE THE PROPERTY.

(II) IF MULTIPLE TENANTS DELIVER OFFERS TO PURCHASE THE PROPERTY, THE OWNER MAY SELECT THE MORE FAVORABLE OFFER WITHOUT LIABILITY TO ANY OTHER TENANT.

(III) WITHIN 5 DAYS AFTER RECEIPT OF THE OFFER TO PURCHASE, THE OWNER SHALL:

1. ACCEPT THE OFFER IF THE OFFER CONTAINS THE SAME OR MORE FAVORABLE MATERIAL TERMS AS CONTAINED IN THE NOTICE, AND NOTIFY THE OFFICE OF TENANTS' RIGHTS; OR

2. DELIVER A COUNTEROFFER TO THE TENANT, WITH AN EXPLANATION OF HOW THE OFFER DEVIATES FROM THE NOTICE, IF THE OFFER CONTAINS MATERIAL TERMS THAT DEVIATE FROM THE TERMS OF THE NOTICE.

(4) (I) WITHIN 5 DAYS AFTER RECEIPT OF THE COUNTEROFFER, THE TENANT MAY:

1. ACCEPT THE COUNTEROFFER; OR
2. REJECT THE COUNTEROFFER.

(II) IF THE TENANT FAILS TO RESPOND TO THE COUNTEROFFER WITHIN 5 DAYS AFTER RECEIPT OF THE COUNTEROFFER, THE COUNTEROFFER IS DEEMED TO BE REJECTED AND THE OWNER SHALL NOTIFY THE OFFICE OF TENANTS' RIGHTS.

(5) IF THE TENANT DOES NOT DELIVER AN OFFER TO PURCHASE AS PROVIDED IN PARAGRAPH (3) OF THIS SUBSECTION OR IF THE PARTIES DO NOT ENTER INTO A CONTRACT OF SALE AS PROVIDED IN PARAGRAPH (4) OF THIS SUBSECTION, THE TENANT'S RIGHT OF FIRST REFUSAL IS TERMINATED AND THE OWNER SHALL NOTIFY THE OFFICE OF TENANT'S RIGHTS.

(D) (1) A TENANT HAS A RIGHT OF FIRST REFUSAL TO PURCHASE RESIDENTIAL RENTAL PROPERTY AS PROVIDED IN THIS SUBSECTION.

(2) A TENANT HAS A RIGHT OF FIRST REFUSAL TO PURCHASE RESIDENTIAL RENTAL PROPERTY IF:

(I) THE OWNER INTENDS TO ACCEPT AN OFFER FROM A THIRD PARTY TO PURCHASE THE PROPERTY THAT IS AT LEAST 10 PERCENT LESS THAN THE LOWEST PRICE OFFERED TO THE TENANT IN ANY PREVIOUS NOTICE, OFFER OR COUNTEROFFER PURSUANT TO SUBSECTION (C) OF THIS SECTION; OR

(II) THE OWNER, WITHOUT HAVING LISTED THE PROPERTY FOR SALE WITH A REAL ESTATE BROKER OR OTHERWISE OFFERED THE PROPERTY FOR SALE TO THE PUBLIC OR ANY THIRD PARTY, RECEIVES FROM A THIRD PARTY AN OFFER TO PURCHASE THE PROPERTY.

(3) (I) IF THE OWNER RECEIVES AN OFFER TO PURCHASE THE PROPERTY FROM A THIRD PARTY AS SPECIFIED IN SUBSECTION (D)(2) OF THIS SECTION, THE OWNER MAY NOT ACCEPT THE OFFER UNTIL:

1. THE OWNER PROVIDES WRITTEN NOTICE TO THE TENANT OF THE TENANT'S RIGHT OF FIRST REFUSAL; AND
2. THE TENANT HAS AN OPPORTUNITY TO EXERCISE THE RIGHT OF FIRST REFUSAL.

(II) THE WRITTEN NOTICE TO THE TENANT OF THE TENANT'S RIGHT OF FIRST REFUSAL SHALL:

1. BE IN THE FORM THAT THE SECRETARY OF THE DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT PRESCRIBES BY REGULATION;

2. BE DELIVERED BY:

A. UNITED STATES POSTAL SERVICE CERTIFIED MAIL, RETURN RECEIPT REQUESTED; OR

B. DELIVERY SERVICE PROVIDING DELIVERY TRACKING AND CONFIRMATION;

3. CONTAIN THE SAME SALES PRICE AS THE THIRD-PARTY OFFER TO PURCHASE.

4. STATE, IN A CONSPICUOUS MANNER, THAT THE NOTICE IS A SOLICITATION OF AN OFFER TO PURCHASE AND IS NOT INTENDED, AND MAY NOT BE CONSTRUED TO RESULT IN A BINDING CONTRACT OF SALE;

5. STATE ANY INFORMATION REGARDING DEADLINES FOR THE TENANT TO SUBMIT AN OFFER TO PURCHASE;

(III) THE OWNER SHALL SEND A COPY OF THE NOTICE TO THE OFFICE OF TENANTS' RIGHTS BY A METHOD THAT THE SECRETARY OF THE DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT PRESCRIBES BY REGULATION.

(4) (I) THE TENANT MAY, WITHIN 30 DAYS OF RECEIPT OF THE NOTICE UNDER PARAGRAPH (D)(3) OF THIS SUBSECTION, DELIVER AN OFFER TO PURCHASE THE PROPERTY TO THE OWNER.

(II) IF A TENANT DELIVERS AN OFFER TO PURCHASE AT THE SAME SALES PRICE AS THE THIRD-PARTY PURCHASER'S OFFER AS PROVIDED IN THIS PARAGRAPH, THE OWNER SHALL ACCEPT THE OFFER AND NOTIFY THE OFFICE OF TENANTS' RIGHTS.

(III) IF MULTIPLE TENANTS DELIVER OFFERS TO PURCHASE THE PROPERTY, THE OWNER MAY SELECT THE MORE FAVORABLE OFFER WITHOUT LIABILITY TO ANY OTHER TENANT.

(5) IF THE TENANT DOES NOT DELIVER AN OFFER TO PURCHASE THE PROPERTY AS PROVIDED IN PARAGRAPH (4) OF THIS SUBSECTION, THE OWNER MAY ACCEPT THE THIRD-PARTY PURCHASER'S OFFER OF SALE AND THE TENANT'S RIGHT OF FIRST REFUSAL IS WAIVED AND THE OWNER SHALL NOTIFY THE OFFICE OF TENANTS' RIGHTS.

(6) IF THE TENANT AND THE OWNER HAVE ENTERED INTO A CONTRACT OF SALE UNDER PARAGRAPH (4) OF THIS SUBSECTION, BUT THE CONTRACT IS TERMINATED BEFORE SETTLEMENT, THE TENANT'S RIGHT OF FIRST REFUSAL IS WAIVED AND THE OWNER SHALL NOTIFY THE OFFICE OF TENANT'S RIGHTS.

(7) IF A THIRD PARTY DELIVERS AN OFFER TO PURCHASE, THE OWNER SHALL PROVIDE NOTICE TO THE THIRD PARTY ABOUT THE TENANT'S RIGHT OF FIRST REFUSAL UNDER THIS SUBSECTION.

(E) THIS SECTION SHALL NOT BE CONSTRUED AS PROHIBITING AN INDIVIDUAL FROM SUBMITTING AN OFFER TO PURCHASE A PROPERTY LEASED BY THE INDIVIDUAL THAT IS LISTED FOR SALE WITH A LICENSED REAL ESTATE BROKER.

(F) THIS SECTION SHALL NOT BE CONSTRUED AS PROHIBITING MULTIPLE TENANTS FROM JOINTLY DELIVERING AN OFFER TO PURCHASE, OR FROM JOINTLY CONTRACTING TO PURCHASE, RESIDENTIAL RENTAL PROPERTY.

(G) THIS SECTION PREEMPTS ANY LOCAL LAW OR ORDINANCE GOVERNING THE RIGHT OF FIRST REFUSAL OF A JURISDICTION OR TENANT FOR THE PURCHASE OF A RESIDENTIAL RENTAL PROPERTY.

(H) THE RIGHTS OF A TENANT UNDER THIS SECTION MAY NOT BE WAIVED OR ASSIGNED AND ANY ATTEMPTED WAIVER OR ASSIGNMENT IS VOID.

(I) AN OWNER OF RESIDENTIAL REAL PROPERTY WHO VIOLATES THIS SECTION IS GUILTY OF A MISDEMEANOR AND ON CONVICTION IS SUBJECT TO A FINE OF NOT MORE THAN \$1,000 PER VIOLATION.

(J) A TENANT MAY SEEK RELIEF FROM A COURT OF COMPETENT JURISDICTION TO RESTRAIN OR ENJOIN ANY VIOLATION OF THIS SECTION PRIOR TO THE CLOSING OF A CONTRACT OF SALE BETWEEN THE OWNER AND TENANT.

(K) (1) FOLLOWING CLOSING ON A CONTRACT OF SALE BETWEEN OWNER AND TENANT, LIABILITY FOR FAILURE TO COMPLY WITH THIS SUBSECTION SHALL LIE SOLELY WITH THE OWNER AND SHALL NOT ATTACH TO THE PROPERTY THAT IS THE SUBJECT OF THE REQUIRED NOTICE OR AFFECT THE RIGHTS OF THE PURCHASER.

(2) A TENANT WHO BRINGS AN ACTION AFTER CLOSING ON A CONTRACT OF SALE BETWEEN OWNER AND TENANT IN ANY COURT OF LAW AGAINST AN OWNER FOR FAILING TO PROVIDE THE NOTICE REQUIRED BY THIS SECTION MAY NOT FILE A NOTICE OF LIS PENDENS PURSUANT TO MARYLAND RULE 12-102; UPON MOTION OF A PARTY IN INTEREST THE COURT SHALL STRIKE A WRONGFULLY FILED NOTICE OF LIS PENDENS WITHOUT NEED FOR A HEARING.

SB 481_realtors_fwa.pdf

Uploaded by: William Castelli

Position: FWA



Senate Bill 481 – Renter’s Rights and Stabilization Act of 2024

Position: Favorable with Amendments

Maryland REALTORS® supports SB 481 with important changes to the tenant right of first refusal, the eviction surcharge and the limitation in security deposits.

The REALTORS® appreciate the comprehensive approach taken by the Administration in trying to address the critical housing crisis facing Maryland. While our members are recognized for their efforts putting buyers and sellers of residential real estate together, many of our members work as property managers as well. They mostly manage single-family rental properties for a variety of owners who may be investors with large portfolios or owners with only 2-3 rental properties.

Given our members’ engagement in leasing real estate, the REALTORS® recommend the following changes in the Governor’s tenant legislation.

Tenant Right of First Refusal

The REALTOR® amendment focuses the tenant right to purchase on a Tenant’s Exclusive Negotiation Period prior to the property being marketed publicly for sale. The REALTORS® recommend the owner of single-family rental property provide a tenant with the terms of a purchase offer that the owner would accept. The notice would be given at least 60 days prior to listing the property for sale and aligns with the notice period that owners are already required to give most tenants if an owner does not plan to renew the lease. This allows the tenant time to determine whether they are interested in the property and seek assistance in purchasing it.

If a tenant chooses not to purchase it or the owner and tenant are unable to close the deal, the tenant would no longer have a right of first refusal unless an offer is made on the property for 10 percent less than the lowest price negotiated by the owner and tenant during their exclusive negotiation period. In addition, if a landlord receives an unsolicited offer on the property prior to marketing the property for sale, the tenant would have a right of first refusal. That right would give the tenant 30 days to prepare an offer of sale to the owner.

In cases where the owner and tenant were not able to reach agreement during the exclusive negotiation period, the tenant would still have the right to make an offer on the property along with other interested purchasers in a normal real estate transaction. These proposed changes more closely follow the natural progression of a real estate sale transaction and are like offers that many owners already make to tenants living in their property.

Eviction Filing Fee

Although the REALTORS® support an increase in the eviction surcharge, the REALTORS® believe the surcharge should remain recoverable in court. In legislation introduced in prior years, the REALTORS® supported an increase of up to \$68 if the fee was recoverable. Evictions are already an expensive process. Landlords, particularly small landlords with single-family property, may spend hundreds to thousands of dollars when a tenant is evicted without accounting for the 1-2 months of lost rent while the property is cleaned and marketed. All turnover properties will be cleaned, repaired and often painted after a tenant leaves. During an eviction, some counties require a property owner to hire a moving crew to remove any personal property left behind by the tenant and provide a locksmith even before knowing whether the property is accessible. Given these expenses and lost rent, landlords have a strong financial incentive to keep tenants in a property as long as possible.

Limiting Security Deposits to One Month

While on its face, limiting security deposits to one month of rent rather than two months seems like a benefit for tenants, such changes will have negative consequences. In addition to one month's rent which is typically charged tenants now, many owners may also charge additional money to cover potential damages caused by pets. Without a two month deposit limit, owners would not be able to request additional deposits beyond one month and are less likely to accept pets. Additionally, owners may charge additional deposits for tenants without credit history or poor credit history to balance the additional risk of renting to them. By limiting the security deposit to one month, some owners will be less likely to take risks with tenants with poor credit.

These changes to SB 481 will bring more balance to this legislation while ensuring important new rights for tenants who wish to make the jump to home ownership.

**For more information contact lisa.may@mdrealtor.org or
christa.mcgeedrealtor.org**

Amendment

Beginning on page 8 strike line 2 through line 19 on page 12, and insert:

Article – Real Property

8–119.

(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(2) “FAMILY MEMBER” MEANS A SPOUSE, FORMER SPOUSE, DOMESTIC PARTNER, FORMER DOMESTIC PARTNER, SON, DAUGHTER, STEPSON, STEPDAUGHTER, PARENT, STEPPARENT, SIBLING, STEPSIBLING, SON-IN-LAW, DAUGHTER-IN-LAW, STEPSON-IN-LAW, STEPDAUGHTER-IN-LAW, PARENT-IN-LAW, STEPPARENT-IN LAW, GRANDPARENT, STEPGRANDPARENT, GRANDCHILD, OR STEPGRANDCHILD.

(3) “OFFER TO PURCHASE” MEANS A GOOD FAITH OFFER TO PURCHASE A RESIDENTIAL RENTAL PROPERTY FOR A PRICE AT WHICH A WILLING SELLER WOULD SELL AND A WILLING BUYER WOULD PURCHASE IN AN ARM’S LENGTH TRANSACTION.

(4) “TENANT” MEANS A LESSEE OF A RESIDENTIAL RENTAL PROPERTY WHO HAS RESIDED AT THE RESIDENTIAL RENTAL PROPERTY FOR NOT LESS THAN 6 MONTHS WHO:

(I) IS A NAMED LESSEE IN THE WRITTEN LEASE; OR

(II) HAS PAID TO THE LESSOR RENTAL PAYMENTS THAT THE LESSOR HAS ACCEPTED UNDER AN UNWRITTEN LEASE AGREEMENT.

(5) “MATERIAL TERMS”:

(I) INCLUDES THE SALES PRICE, SETTLEMENT DATE, AND OTHER CONTINGENCIES;

(II) SHALL NOT INCLUDE THE METHOD OF FINANCING OR WAIVING OF A HOME INSPECTION; AND

(III) SHALL BE COMMERCIALY REASONABLE, FAIR, DONE IN GOOD FAITH, AND ADHERE TO GENERALLY ACCEPTED RESIDENTIAL REAL ESTATE PRACTICES.

(6) “RESIDENTIAL RENTAL PROPERTY” MEANS A TENANT-OCCUPIED RESIDENTIAL RENTAL PROPERTY IMPROVED BY THREE OR FEWER INDIVIDUAL DWELLING UNITS.

(7) “TENANT’S EXCLUSIVE NEGOTIATION PERIOD” MEANS A PERIOD OF TIME IN WHICH A TENANT IS NOTIFIED ABOUT THE TENANT’S RIGHT TO PURCHASE THE PROPERTY AND NEGOTIATE EXCLUSIVELY WITH THE OWNER OF THE RESIDENTIAL RENTAL PROPERTY TO ENTER INTO A CONTRACT OF SALE.

(8) “THIRD PARTY” MEANS A PARTY WHO IS NOT LISTED UNDER SUBSECTION (B) AND IS NOT THE TENANT OF THE RESIDENTIAL RENTAL PROPERTY.

(B) THIS SECTION DOES NOT APPLY TO:

- (1) A TRANSFER OF TITLE TO A FAMILY MEMBER OF THE OWNER;
- (2) A TRANSFER OF TITLE TO A BUSINESS ENTITY OWNED IN WHOLE BY THE OWNER;
- (3) A TRANSFER OF TITLE THROUGH A SHERIFF'S SALE, TAX SALE, ORDER FORECLOSING RIGHT OF REDEMPTION, OR SALE BY FORECLOSURE, PARTITION, OR BY COURT APPOINTED TRUSTEE;
- (4) A TRANSFER BY A FIDUCIARY IN THE COURSE OF THE ADMINISTRATION OF DECEDENT'S ESTATE, GUARDIANSHIP, CONSERVATORSHIP, OR TRUST;
- (5) A TRANSFER OF TITLE PURSUANT TO A TESTAMENTARY DOCUMENT, A TRUST INSTRUMENT OR THROUGH INHERITANCE;
- (6) A TRANSFER OF TITLE TO A GOVERNMENT AGENCY;
- (7) A TRANSFER OF TITLE IN LIEU OF FORECLOSURE OF A MORTGAGE OR DEED OF TRUST;
- (8) A TRANSFER OF TITLE PURSUANT TO A COURT ORDER, RECEIVERSHIP OR COURT-APPROVED SETTLEMENT;
- (9) A TRANSFER OF TITLE PURSUANT TO THE ORDER OF A BANKRUPTCY COURT OR SALE BY A BANKRUPTCY TRUSTEE OR DEBTOR IN POSSESSION;
- (10) A GIFT TRANSFER OF TITLE TO ANY NONPROFIT ORGANIZATION EXEMPT FROM TAXATION UNDER § 501(C)(3) OF THE INTERNAL REVENUE CODE;
- (11) A TRANSFER OF TITLE BY A PUBLIC HOUSING AUTHORITY; OR
- (12) RESIDENTIAL RENTAL PROPERTY WITH FOUR OR MORE INDIVIDUAL DWELLING UNITS.

(C) (1) AS PROVIDED IN THIS SUBSECTION, BEFORE A RESIDENTIAL RENTAL PROPERTY MAY BE OFFERED FOR SALE TO THE PUBLIC OR ANY THIRD PARTY, THE OWNER AND TENANT SHALL ENTER INTO A TENANT'S EXCLUSIVE NEGOTIATION PERIOD FOR THE PURCHASE OF THE PROPERTY.

(2) (I) AT LEAST 60 DAYS, BUT NO MORE THAN 120 DAYS BEFORE A RESIDENTIAL RENTAL PROPERTY MAY BE LISTED FOR SALE WITH A REAL ESTATE BROKER OR OTHERWISE OFFERED FOR SALE TO THE PUBLIC OR ANY THIRD PARTY, THE OWNER OF THE PROPERTY SHALL CAUSE TO BE SENT TO EACH TENANT OF THE PROPERTY, A WRITTEN NOTICE OF THE TENANT'S RIGHT TO DELIVER AN OFFER TO PURCHASE THE PROPERTY.

(II) THE NOTICE SHALL:

1. BE IN THE FORM THAT THE SECRETARY OF THE DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT PRESCRIBES BY REGULATION;
2. BE DELIVERED BY:

A. UNITED STATES POSTAL SERVICE
CERTIFIED MAIL, RETURN RECEIPT REQUESTED; OR

B. DELIVERY SERVICE PROVIDING
DELIVERY TRACKING AND CONFIRMATION;

3. CONTAIN MATERIAL TERMS THAT THE
OWNER WOULD AGREE TO INCORPORATE IN A RESULTING CONTRACT OF
SALE WITH THE TENANT;

4. STATE, IN A CONSPICUOUS MANNER, THAT THE
NOTICE IS A SOLICITATION OF AN OFFER TO PURCHASE AND IS NOT
INTENDED, AND MAY NOT BE CONSTRUED TO RESULT IN A BINDING
CONTRACT OF SALE; AND

5. STATE ANY INFORMATION REGARDING
DEADLINES FOR THE TENANT TO SUBMIT AN OFFER TO PURCHASE.

(III) THE OWNER SHALL SEND A COPY OF THE NOTICE
TO THE OFFICE OF TENANTS' RIGHTS BY A METHOD THAT THE
SECRETARY OF THE DEPARTMENT OF HOUSING AND COMMUNITY
DEVELOPMENT PRESCRIBES BY REGULATION.

(3) (I) WITHIN 30 DAYS AFTER RECEIPT OF THE NOTICE,
THE TENANT MAY DELIVER TO THE OWNER A WRITTEN OFFER TO
PURCHASE THE PROPERTY.

(II) IF MULTIPLE TENANTS DELIVER OFFERS TO
PURCHASE THE PROPERTY, THE OWNER MAY SELECT THE
MORE FAVORABLE OFFER WITHOUT LIABILITY TO ANY
OTHER TENANT.

(III) WITHIN 5 DAYS AFTER RECEIPT OF THE OFFER TO
PURCHASE, THE OWNER SHALL:

1. ACCEPT THE OFFER IF THE OFFER
CONTAINS THE SAME OR MORE FAVORABLE MATERIAL TERMS AS
CONTAINED IN THE NOTICE, AND NOTIFY THE OFFICE OF TENANTS'
RIGHTS; OR

2. DELIVER A COUNTEROFFER TO THE
TENANT, WITH AN EXPLANATION OF HOW THE OFFER DEVIATES FROM
THE NOTICE, IF THE OFFER CONTAINS MATERIAL TERMS THAT DEVIATE
FROM THE TERMS OF THE NOTICE.

(4) (I) WITHIN 5 DAYS AFTER RECEIPT OF THE
COUNTEROFFER, THE TENANT MAY:

1. ACCEPT THE COUNTEROFFER; OR
2. REJECT THE COUNTEROFFER.

(II) IF THE TENANT FAILS TO RESPOND TO THE
COUNTEROFFER WITHIN 5 DAYS AFTER RECEIPT OF THE COUNTEROFFER,
THE COUNTEROFFER IS DEEMED TO BE REJECTED AND THE OWNER SHALL
NOTIFY THE OFFICE OF TENANTS' RIGHTS.

(5) IF THE TENANT DOES NOT DELIVER AN OFFER TO
PURCHASE AS PROVIDED IN PARAGRAPH (3) OF THIS SUBSECTION OR IF

THE PARTIES DO NOT ENTER INTO A CONTRACT OF SALE AS PROVIDED IN PARAGRAPH (4) OF THIS SUBSECTION, THE TENANT'S RIGHT OF FIRST REFUSAL IS TERMINATED AND THE OWNER SHALL NOTIFY THE OFFICE OF TENANT'S RIGHTS.

(D) (1) A TENANT HAS A RIGHT OF FIRST REFUSAL TO PURCHASE RESIDENTIAL RENTAL PROPERTY AS PROVIDED IN THIS SUBSECTION.

(2) A TENANT HAS A RIGHT OF FIRST REFUSAL TO PURCHASE RESIDENTIAL RENTAL PROPERTY IF:

(I) THE OWNER INTENDS TO ACCEPT AN OFFER FROM A THIRD PARTY TO PURCHASE THE PROPERTY THAT IS AT LEAST 10 PERCENT LESS THAN THE LOWEST PRICE OFFERED TO THE TENANT IN ANY PREVIOUS NOTICE, OFFER OR COUNTEROFFER PURSUANT TO SUBSECTION (C) OF THIS SECTION; OR

(II) THE OWNER, WITHOUT HAVING LISTED THE PROPERTY FOR SALE WITH A REAL ESTATE BROKER OR OTHERWISE OFFERED THE PROPERTY FOR SALE TO THE PUBLIC OR ANY THIRD PARTY, RECEIVES FROM A THIRD PARTY AN OFFER TO PURCHASE THE PROPERTY.

(3) (I) IF THE OWNER RECEIVES AN OFFER TO PURCHASE THE PROPERTY FROM A THIRD PARTY AS SPECIFIED IN SUBSECTION (D)(2) OF THIS SECTION, THE OWNER MAY NOT ACCEPT THE OFFER UNTIL:

1. THE OWNER PROVIDES WRITTEN NOTICE TO THE TENANT OF THE TENANT'S RIGHT OF FIRST REFUSAL; AND

2. THE TENANT HAS AN OPPORTUNITY TO EXERCISE THE RIGHT OF FIRST REFUSAL.

(II) THE WRITTEN NOTICE TO THE TENANT OF THE TENANT'S RIGHT OF FIRST REFUSAL SHALL:

1. BE IN THE FORM THAT THE SECRETARY OF THE DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT PRESCRIBES BY REGULATION;

2. BE DELIVERED BY:
A. UNITED STATES POSTAL SERVICE CERTIFIED MAIL, RETURN RECEIPT REQUESTED; OR
B. DELIVERY SERVICE PROVIDING DELIVERY TRACKING AND CONFIRMATION;

3. CONTAIN THE SAME SALES PRICE AS THE THIRD-PARTY OFFER TO PURCHASE.

4. STATE, IN A CONSPICUOUS MANNER, THAT THE NOTICE IS A SOLICITATION OF AN OFFER TO PURCHASE AND IS NOT INTENDED, AND MAY NOT BE CONSTRUED TO RESULT IN A BINDING CONTRACT OF SALE;

5. STATE ANY INFORMATION REGARDING DEADLINES FOR THE TENANT TO SUBMIT AN OFFER TO PURCHASE;

(III) THE OWNER SHALL SEND A COPY OF THE NOTICE TO THE OFFICE OF TENANTS' RIGHTS BY A METHOD THAT THE SECRETARY OF THE DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT PRESCRIBES BY REGULATION.

(4) (I) THE TENANT MAY, WITHIN 30 DAYS OF RECEIPT OF THE NOTICE UNDER PARAGRAPH (D)(3) OF THIS SUBSECTION, DELIVER AN OFFER TO PURCHASE THE PROPERTY TO THE OWNER.

(II) IF A TENANT DELIVERS AN OFFER TO PURCHASE AT THE SAME SALES PRICE AS THE THIRD-PARTY PURCHASER'S OFFER AS PROVIDED IN THIS PARAGRAPH, THE OWNER SHALL ACCEPT THE OFFER AND NOTIFY THE OFFICE OF TENANTS' RIGHTS.

(III) IF MULTIPLE TENANTS DELIVER OFFERS TO PURCHASE THE PROPERTY, THE OWNER MAY SELECT THE MORE FAVORABLE OFFER WITHOUT LIABILITY TO ANY OTHER TENANT.

(5) IF THE TENANT DOES NOT DELIVER AN OFFER TO PURCHASE THE PROPERTY AS PROVIDED IN PARAGRAPH (4) OF THIS SUBSECTION, THE OWNER MAY ACCEPT THE THIRD-PARTY PURCHASER'S OFFER OF SALE AND THE TENANT'S RIGHT OF FIRST REFUSAL IS WAIVED AND THE OWNER SHALL NOTIFY THE OFFICE OF TENANTS' RIGHTS.

(6) IF THE TENANT AND THE OWNER HAVE ENTERED INTO A CONTRACT OF SALE UNDER PARAGRAPH (4) OF THIS SUBSECTION, BUT THE CONTRACT IS TERMINATED BEFORE SETTLEMENT, THE TENANT'S RIGHT OF FIRST REFUSAL IS WAIVED AND THE OWNER SHALL NOTIFY THE OFFICE OF TENANT'S RIGHTS.

(7) IF A THIRD PARTY DELIVERS AN OFFER TO PURCHASE, THE OWNER SHALL PROVIDE NOTICE TO THE THIRD PARTY ABOUT THE TENANT'S RIGHT OF FIRST REFUSAL UNDER THIS SUBSECTION.

(E) THIS SECTION SHALL NOT BE CONSTRUED AS PROHIBITING AN INDIVIDUAL FROM SUBMITTING AN OFFER TO PURCHASE A PROPERTY LEASED BY THE INDIVIDUAL THAT IS LISTED FOR SALE WITH A LICENSED REAL ESTATE BROKER.

(F) THIS SECTION SHALL NOT BE CONSTRUED AS PROHIBITING MULTIPLE TENANTS FROM JOINTLY DELIVERING AN OFFER TO PURCHASE, OR FROM JOINTLY CONTRACTING TO PURCHASE, RESIDENTIAL RENTAL PROPERTY.

(G) THIS SECTION PREEMPTS ANY LOCAL LAW OR ORDINANCE GOVERNING THE RIGHT OF FIRST REFUSAL OF A JURISDICTION OR TENANT FOR THE PURCHASE OF A RESIDENTIAL RENTAL PROPERTY.

(H) THE RIGHTS OF A TENANT UNDER THIS SECTION MAY NOT BE WAIVED OR ASSIGNED AND ANY ATTEMPTED WAIVER OR ASSIGNMENT IS VOID.

(I) AN OWNER OF RESIDENTIAL REAL PROPERTY WHO VIOLATES THIS SECTION IS GUILTY OF A MISDEMEANOR AND ON CONVICTION IS SUBJECT TO A FINE OF NOT MORE THAN \$1,000 PER VIOLATION.

(J) A TENANT MAY SEEK RELIEF FROM A COURT OF COMPETENT JURISDICTION TO RESTRAIN OR ENJOIN ANY VIOLATION OF THIS SECTION

PRIOR TO THE CLOSING OF A CONTRACT OF SALE BETWEEN THE OWNER AND TENANT.

(K) (1) FOLLOWING CLOSING ON A CONTRACT OF SALE BETWEEN OWNER AND TENANT, LIABILITY FOR FAILURE TO COMPLY WITH THIS SUBSECTION SHALL LIE SOLELY WITH THE OWNER AND SHALL NOT ATTACH TO THE PROPERTY THAT IS THE SUBJECT OF THE REQUIRED NOTICE OR AFFECT THE RIGHTS OF THE PURCHASER.

(2) A TENANT WHO BRINGS AN ACTION AFTER CLOSING ON A CONTRACT OF SALE BETWEEN OWNER AND TENANT IN ANY COURT OF LAW AGAINST AN OWNER FOR FAILING TO PROVIDE THE NOTICE REQUIRED BY THIS SECTION MAY NOT FILE A NOTICE OF LIS PENDENS PURSUANT TO MARYLAND RULE 12-102; UPON MOTION OF A PARTY IN INTEREST THE COURT SHALL STRIKE A WRONGFULLY FILED NOTICE OF LIEN WITHOUT NEED FOR A HEARING.

Memo to MD Senate SB0481 and House HB0693 Restrict

Uploaded by: Bret Hopkins

Position: UNF

Bret Hopkins

To: sandra.popp@mlis.state.md.us
Cc: marybeth.carozza@senate.state.md.us; charles.otto@house.state.md.us; Adams, Christopher Delegate; Carl.Anderton@house.state.md.us
Subject: Unfavorable Report Requested Writing in Opposition for HB0693 and SB0481 Renters' Rights and Stabilization Act of 2024

Please accept my unfavorable report writing in opposition of the associated bills; SB0481 and HB0693 Renters' Rights and Stabilization Act of 2024.

Free and fair markets are the only solution to increasing housing supply and stabilizing rental rates. Every time the Governments inject themselves into the free market, no matter what it is, the cost to the consumer increases for the product or service. American businesses must operate to realize a profit. No person works for, lends to, or invests in an unprofitable business. If unprofitable business exists today, they will not for long. When businesses fail, which they do all the time in America, they go out of business and the next savvy entrepreneur steps in to fill the market demand where the last business failed. This a truism like gravity.

Specific unfavorable report comments follow.

SB0481: Page 3 line 1 under Section 7-301 paragraph (C) (2) (i) 1. Increasing Summary Ejectment fees from \$8 to \$93.

HB0693: Page 3 line 4 under Section 7-301 paragraph (C) (2) (i) 1. Increasing Summary Ejectment fees from \$8 to \$93.

Increasing court costs, other expenses, and regulations on property owners, landlords, and operators will eventually translate into lower housing supply, higher rents, more delinquency, more evictions, more civil collection actions, more liens, and more destroyed personal credit and more wage garnishments.

Why? Unintended consequences. Landlords will delay timely filing every month to waiting to file every other or every 3rd month. This will delay getting the resident financial support from various government and non-profit resources which usually require court paperwork to provide housing support funding. The delay will virtually guarantee no support due to the resident ledger balance being too high to save resulting in an eviction. Then the landlord will seek civil financial damages in court which will be awarded, file liens, report delinquency, and eventually issue a wage garnishment to the former resident's employer. These will financially destroy the person for many years as they begin the long dig out.

SB0481: Page 12 line 22 under Section 8-203 paragraph (b) (1) Limiting the maximum Security Deposit charge to 1 month's equivalent rent

HB0693: Page 12 line 25 under Section 8-203 paragraph (b) (1) Limiting the maximum Security Deposit charge to 1 month's equivalent rent

- FHA/HUD loans DO currently restrict Security Deposits charged to residents to one month's rent (can be lower, but no more than one month's equivalent rent)
 - I currently have two communities with FHA/HUD loans and one month's rent equivalent Security Deposit is a testable item during the annual financial audit.
- Communities that are limited to only one month's rent do have:
 - Higher delinquency, higher evictions, higher bad debt write offs, and higher civil suits and liens post-Move Out/Eviction
 - Because the resident thinks they have less to lose with the landlord, they typically Move Out owing much more money which eventually turns into more destroyed credit with higher liens, wage garnishment withholding until debts are paid off, etc.

- Higher Move In qualification standards to minimize the risk of resident default and higher landlord financial losses.
- Higher apartment home damages at Move Out. Again, because the resident thinks they have less to lose as the resident does not believe the landlord will pursue financial damages in civil court and post a lien and seek wage garnishment. Until they get served....
- Reduced property values due to higher landlord exposure to evictions, delinquency, bad debt write offs, apartment damages, etc.
- Some communities make use of surety bonds plus security deposit charges. The surety bond is NOT refundable and is a financial tool that is used by the landlord to increase landlord coverage for delinquency and damages. Hence, the resident can pay a non-refundable bond plus one month's equivalent rent as a security deposit. This can cost the resident more than 1.5 month's rent since the ½ month is non-refundable as a surety bond.
- Additionally, the lower security deposits are discriminatory to lower income renters since their monthly rent is much lower than higher wage earners resulting in security deposits applied toward damages etc. at move out may not cover the charges; hence, civil court action, destroyed credit, wage garnishments, etc. The higher deposits paid by the higher wage earner living in a much more expensive monthly rental home would cover the same damage costs etc. resulting in no civil court actions, destroyed credit, and wage garnishments.

Money, sweat, and tears are expended where they are treated best. The risk/return question must be in balance. If money is treated poorly by increasing costs or regulations on businesses, the scarce resource of money will not be used to invest in existing homes or develop and bring to market new homes. By increasing costs and regulatory burdens on property owners and property operators will ultimately harm the local economies, business, jobs, and housing supply. It is inevitable like the pull of gravity.

Sincerely,

Bret Hopkins
 Managing Member,
 Fairfax Station Enterprises, LLC
 Salisbury Area Property Owners Association, President
 925 Eastern Shore Drive, Suite 1
 Salisbury, MD 21804
 410.742.5577
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P Please consider the environment before printing this email

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Letter to House of Delegates and State Senate.pdf

Uploaded by: Kristine Adams

Position: UNF

Dear Maryland Delegates and State Senators:

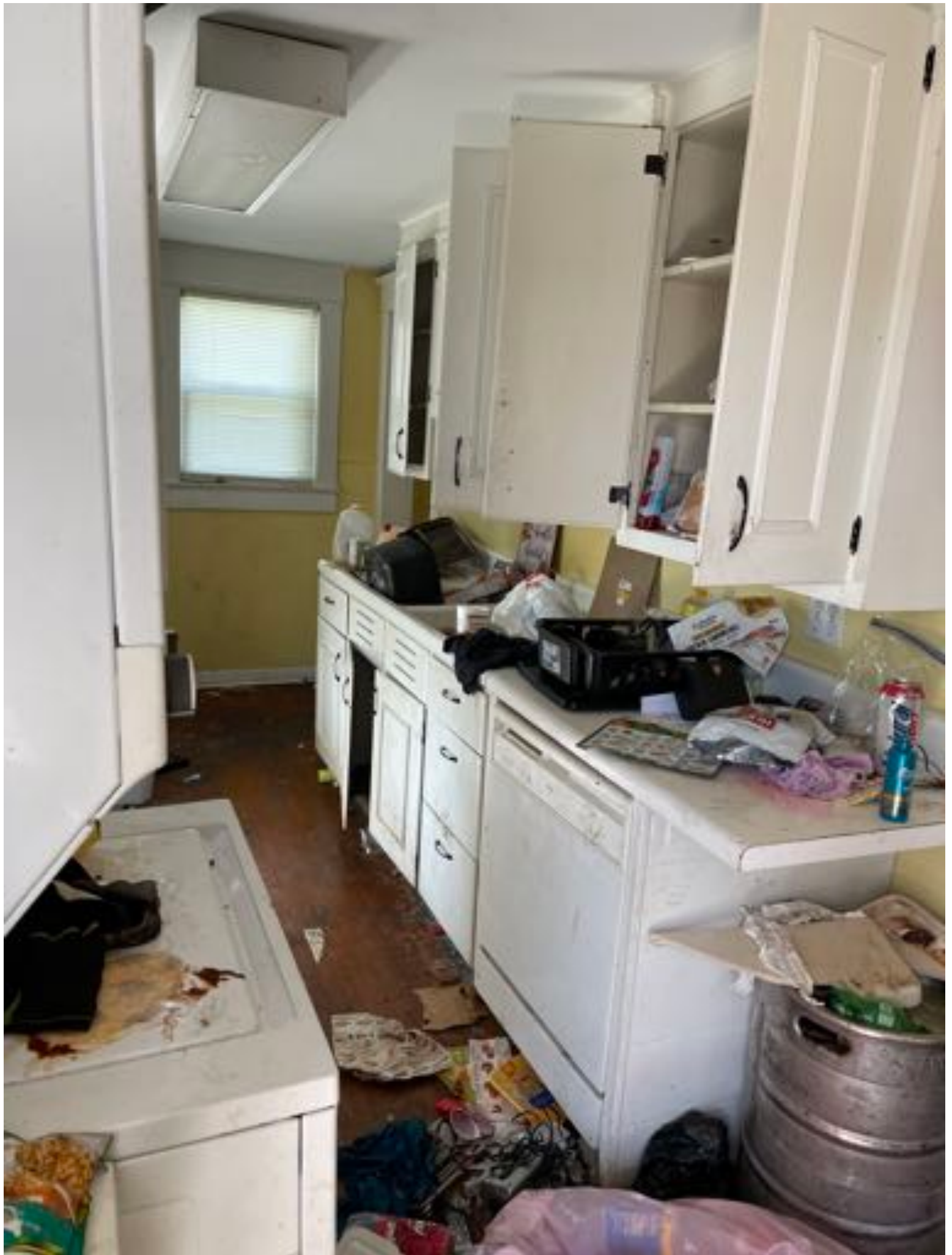
This letter is written in response to HB 693/SB 481 Renters' Rights and Stabilization Act of 2024. Over the course of twenty-eight years as a housing provider, every unfortunate eviction has been attributed to irresponsible behavior on the part of the tenant who fails to fulfill one or more of three basic responsibilities: 1) Pay the rent on a timely basis as agreed on page one of every lease for the negotiated term. 2) Maintain the property by keeping the property sanitary and in compliance with basic city health and safety codes. 3) Be a good neighbor. Criminal activity, disruptive behavior or violating the quiet enjoyment of one's neighbors cannot be tolerated for the good of the community. These are reasonable eviction offenses. If the housing provider does not enforce these three basic rules, they do not get paid despite already providing a home to the tenant and or their property falls into costly disrepair. Lack of income means that the housing provider can't pay their mortgage, taxes, insurance or maintain the property which results in decreased services to all renters and contributes to blighted properties. Housing providers face exorbitant repair costs the longer a non-compliant tenant remains in a property while committing waste. Furthermore, the housing provider becomes an enabler of crime in the community when through law designed to discourage eviction, housing providers are forced to allow the tenant's actions to victimize the neighborhood.

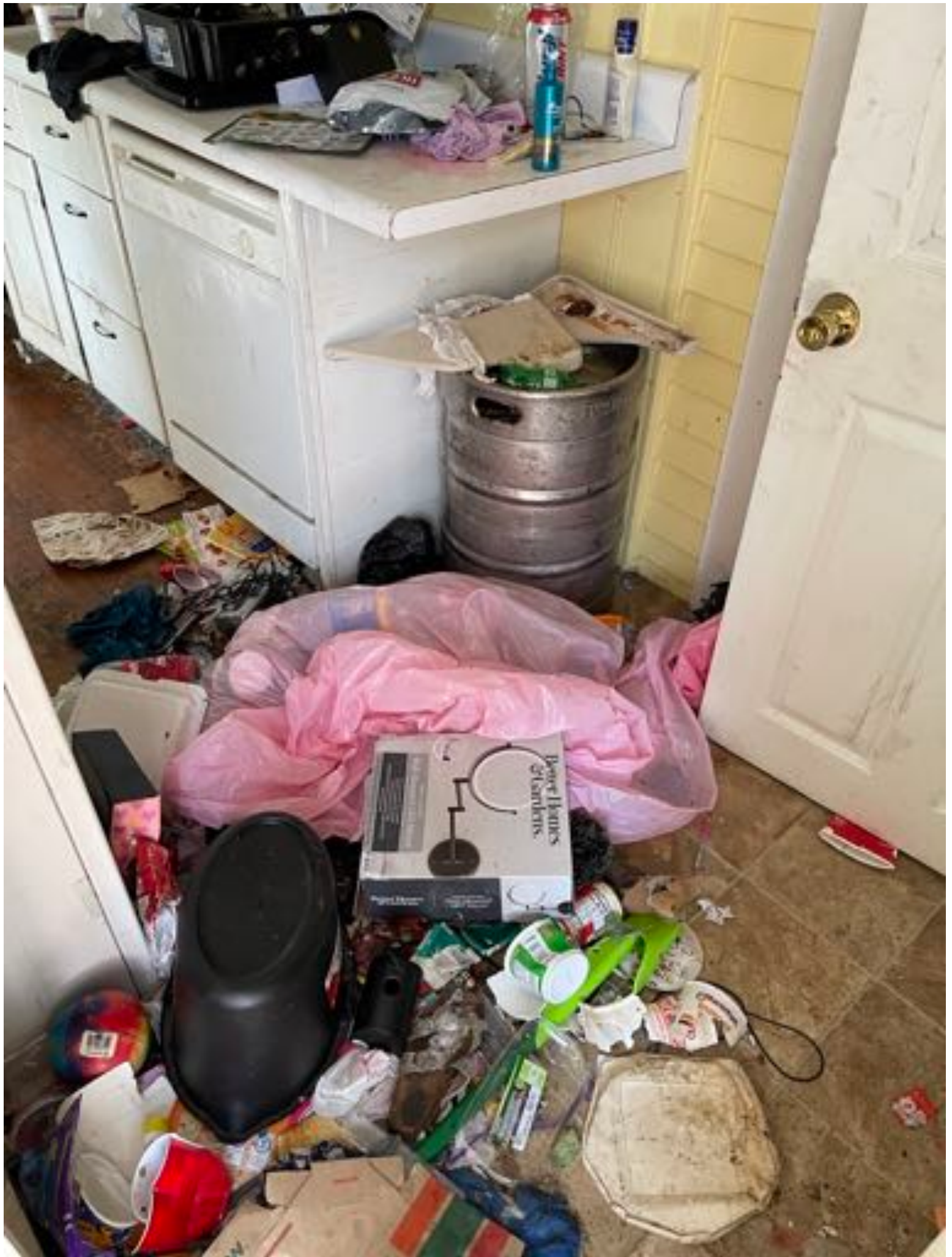
Every year, the Maryland government imposes new rules on housing providers. Despite the continual modification of the court system in favor of the tenant, eviction rates are higher than ever, according to the Housing Secretary's numbers. In 2021, the Maryland Legislature passed (Real Property Article § 8-401(c)) which stipulates that after the initial 5-day grace period, housing providers must send tenants who are in arrears a NOTICE OF INTENT TO FILE A COMPLAINT FOR SUMMARY EJECTMENT which extends their payment deadline by an additional 10 days before a housing provider can file in court as attempt to collect unpaid rent. Fifteen to eighteen days, depending upon how dates fall, is a long grace period. By the time the housing provider and tenant get to court two to three weeks later, the tenant is already, at minimum, a full month behind in rent. Due to the grace period, the housing provider is given a judgement for past and present rent putting the tenant two months behind. If the eviction data quoted by the Secretary is correct, there is proof that the 10-day extension does not prevent evictions. In fact, it creates evictions because the tenant is further in arrears by the time he gets to court. Furthermore, the rule exploits the financial vulnerability of those tenants who do fall behind by giving them a false sense of security to procrastinate seeking payment relief. Considering the direct correlation between the 10- day rule and the increase in evictions, it's hard to fathom that the Secretary 's solution to this government misstep is to blame housing providers for a crisis created by the state. Forcing housing providers to absorb the cost of a new artificially inflated eviction filing fee of \$93 acts as a punishment for them doing their job.

HB 693/SB 481 in every way desecrates the property owners' property rights. In addition to forcing housing providers to pay eviction filing fees without compensation, the legislation also negates our option to collect up to, two month's security deposit. In doing so, the state is crippling housing providers' risk evaluation tools and removes our ability to recoup costs of eviction and repairs which have increased over 30% since 2019. Furthermore, limiting our ability to sell our properties by imposing dictatorial regulation, artificially impedes our freedom to sell by creating a matrix of paperwork and time constraints not imposed on anyone else in the housing market. This amounts to discrimination against housing providers in the free market and an unconstitutional taking of property rights. HB 693/SB 481 pose a significant problem for the state's interest financially as imposing unconstitutional legislation on housing providers has historically resulted in municipalities paying significant monetary compensation to those who have been harmfully affected by the government's illegal taking of property rights. For these reasons, please vote NO on House Bill 693/SB 481. Please see the attached pictures of properties that fell into massive disrepair because the court system prevented timely removal of the offending tenant.

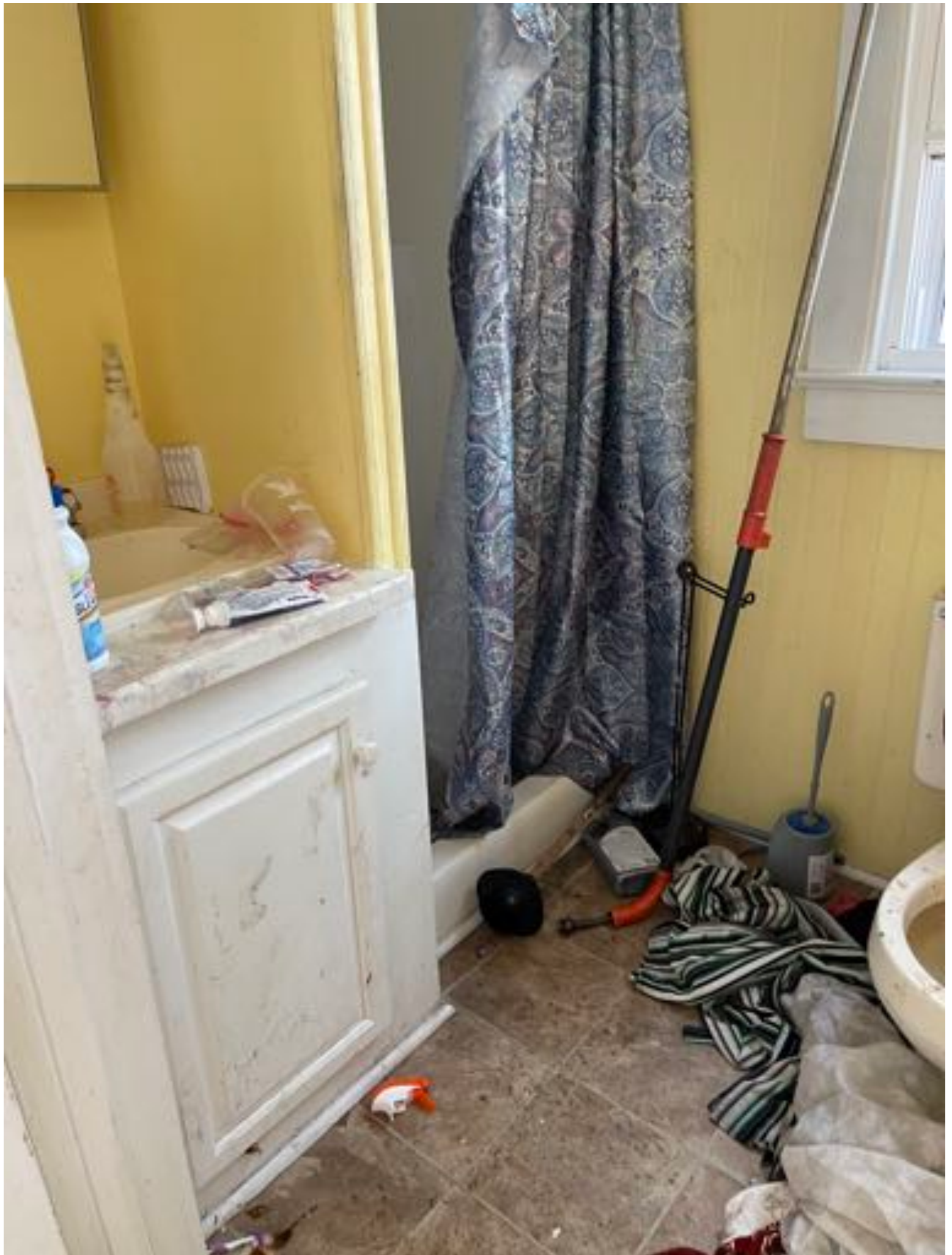
Sincerely,
Kevin and Kristine Adams
Adams Housing, LLC

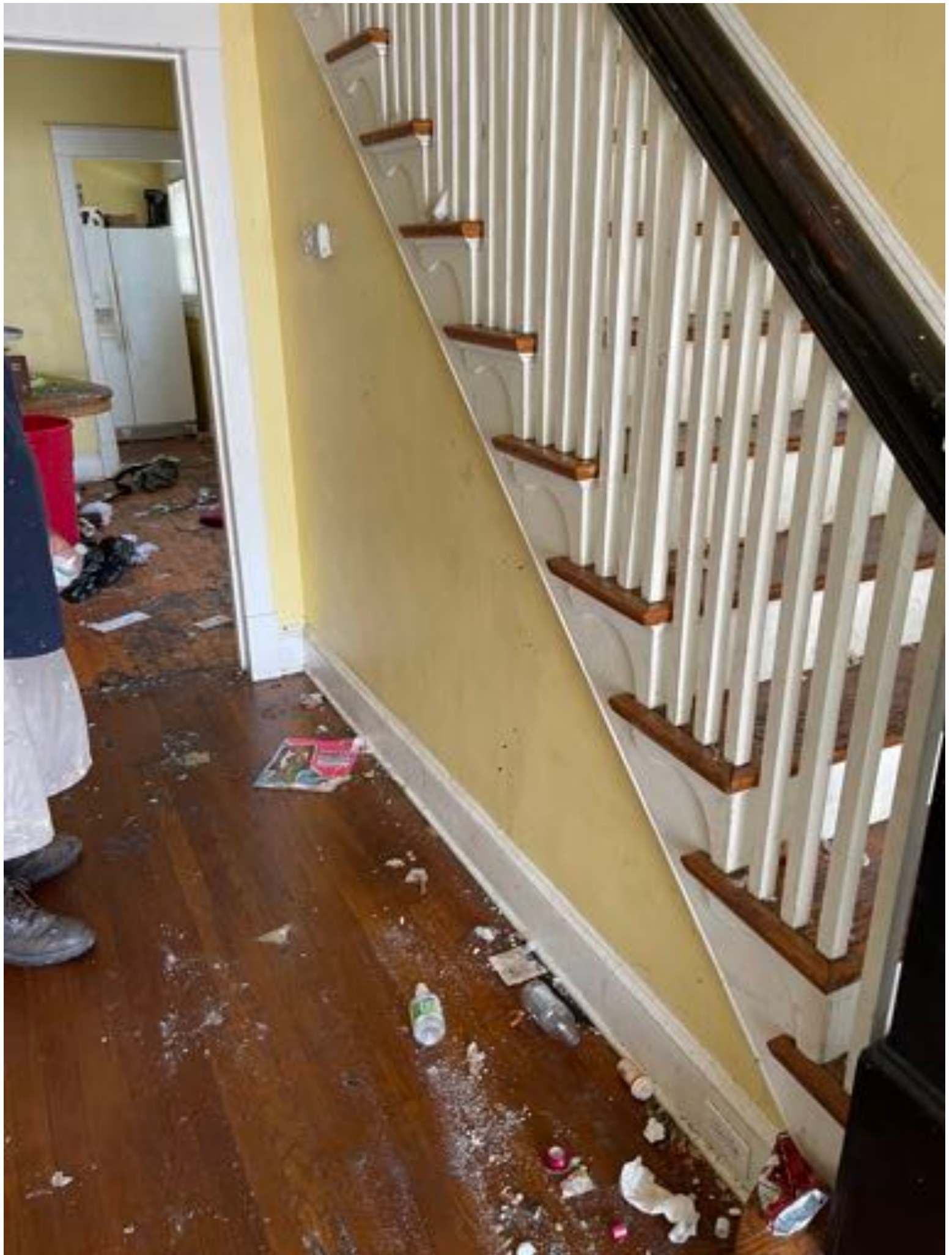








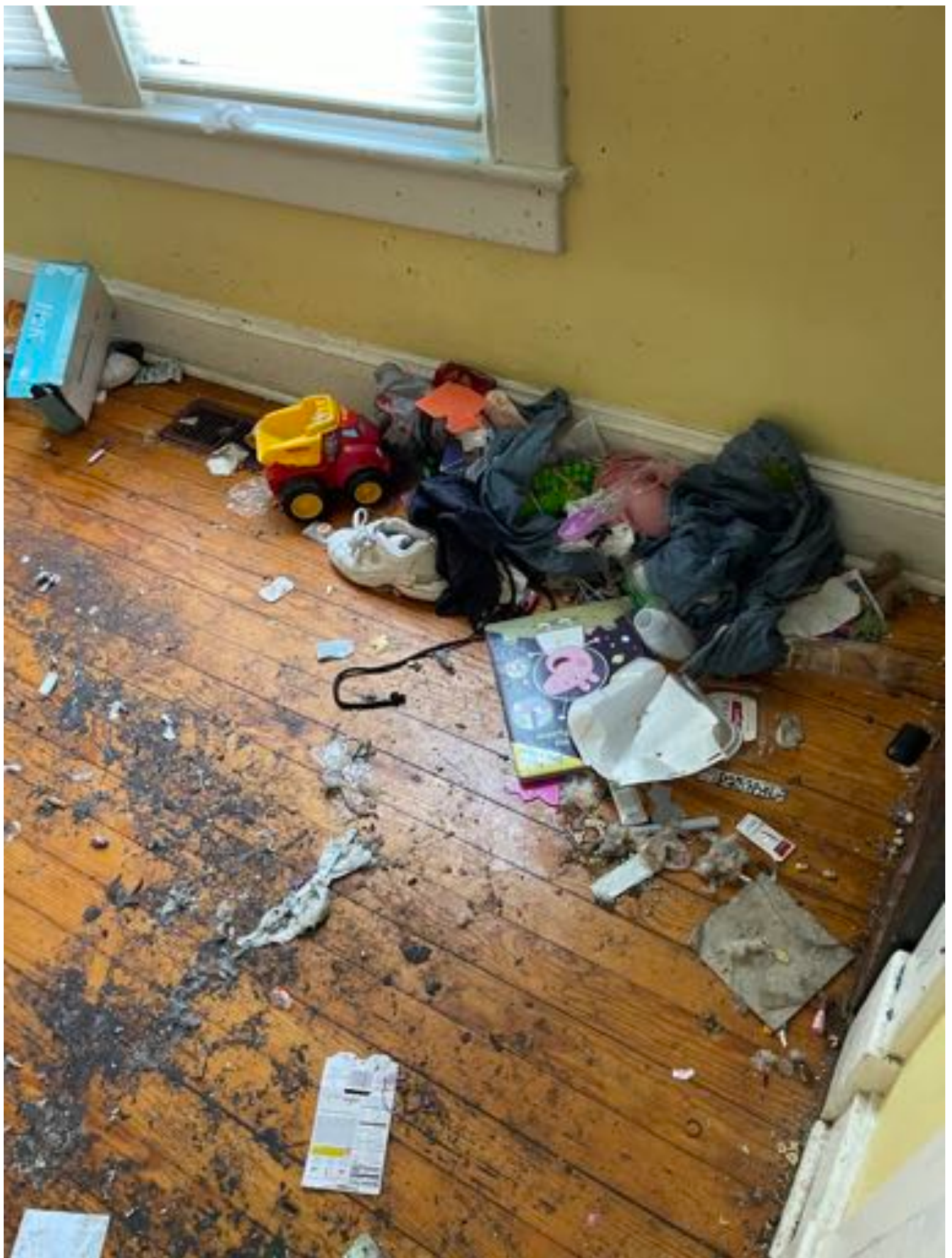




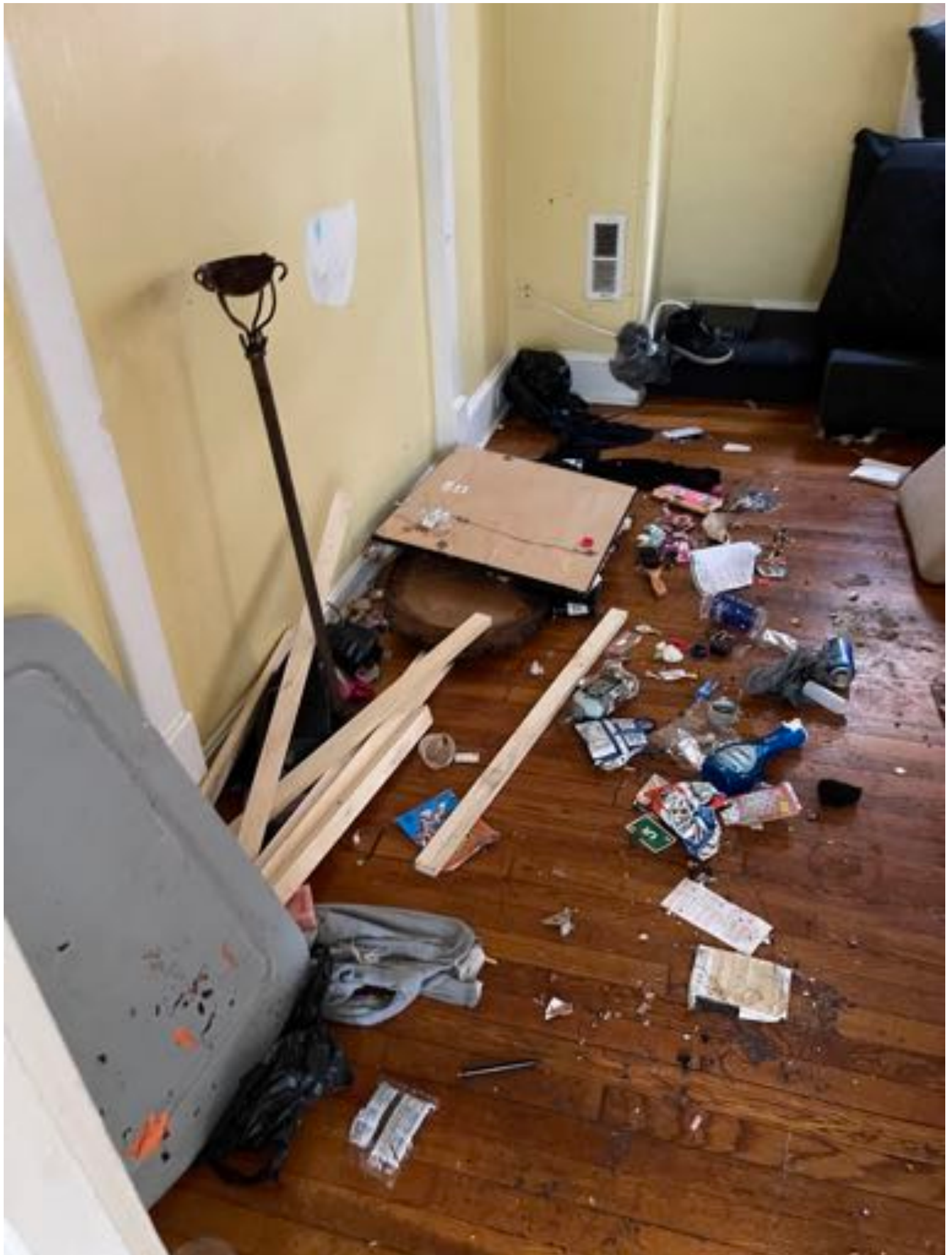


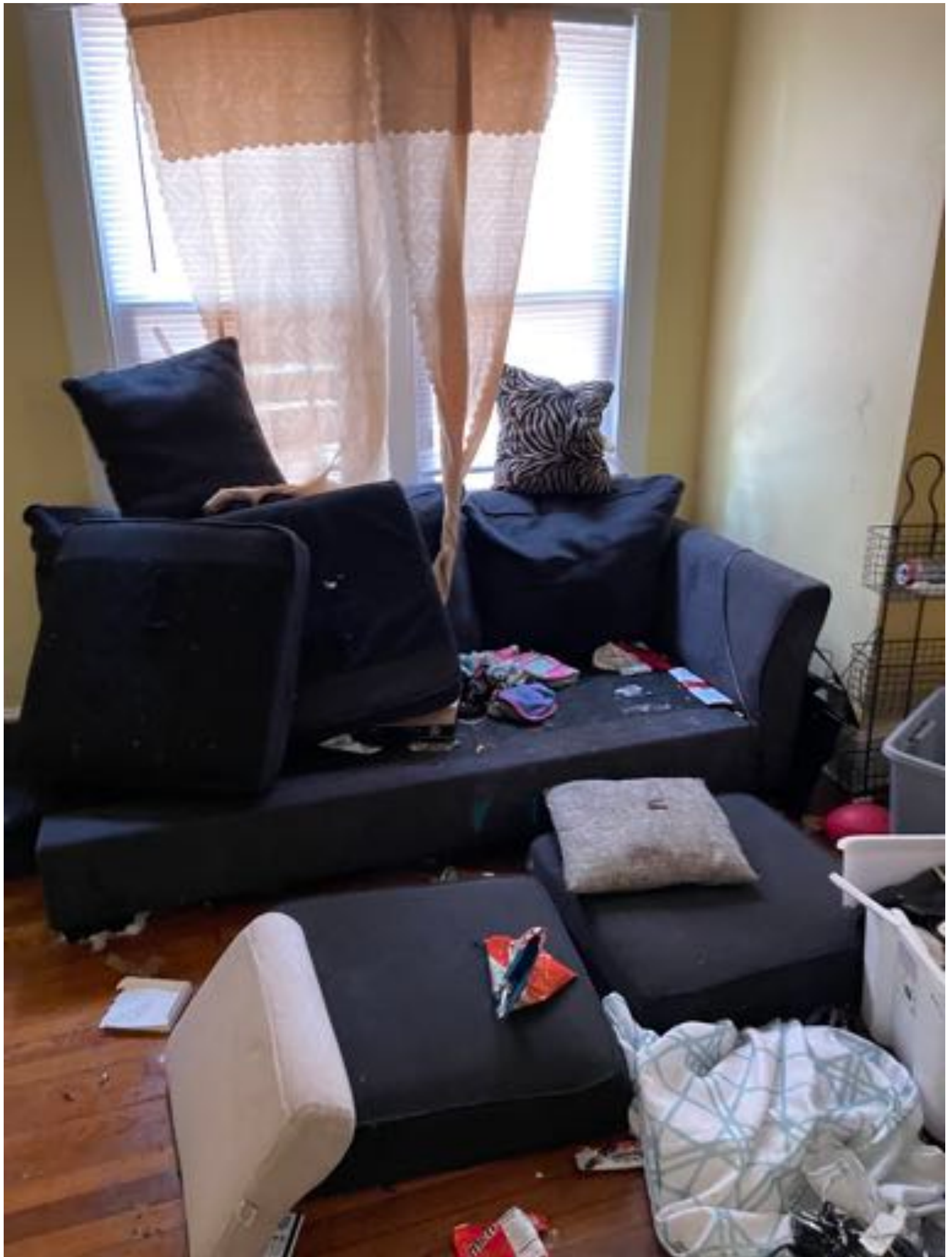


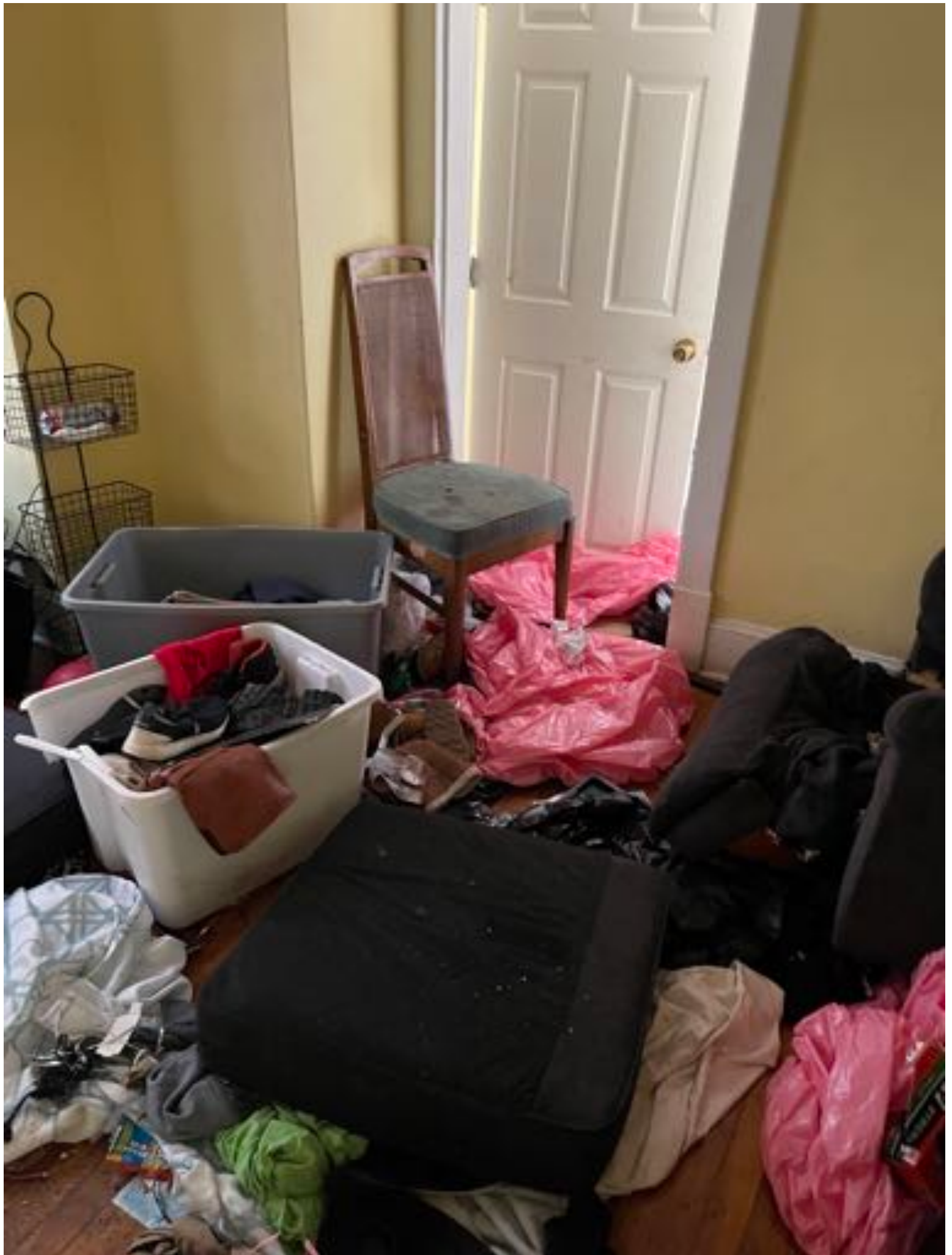




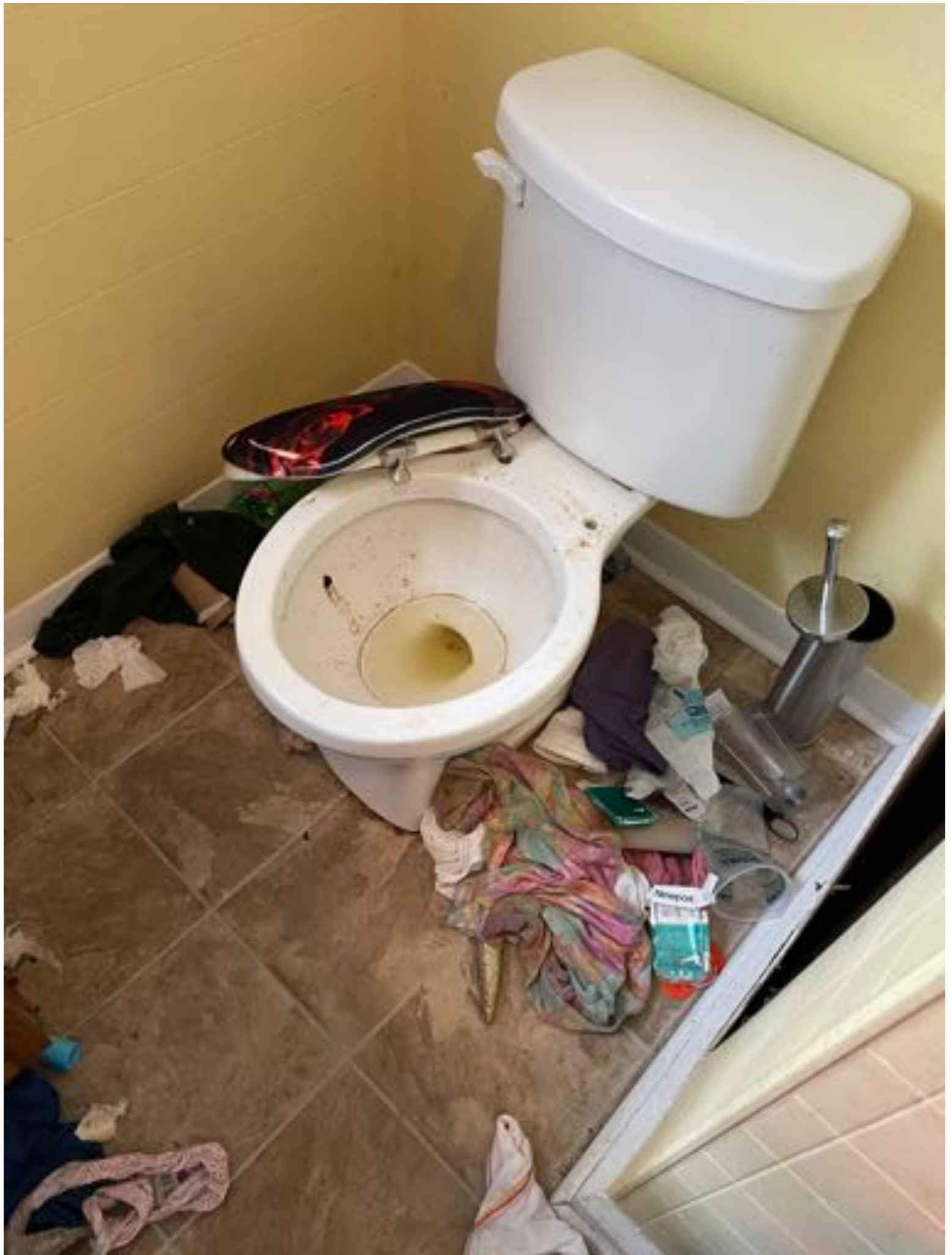


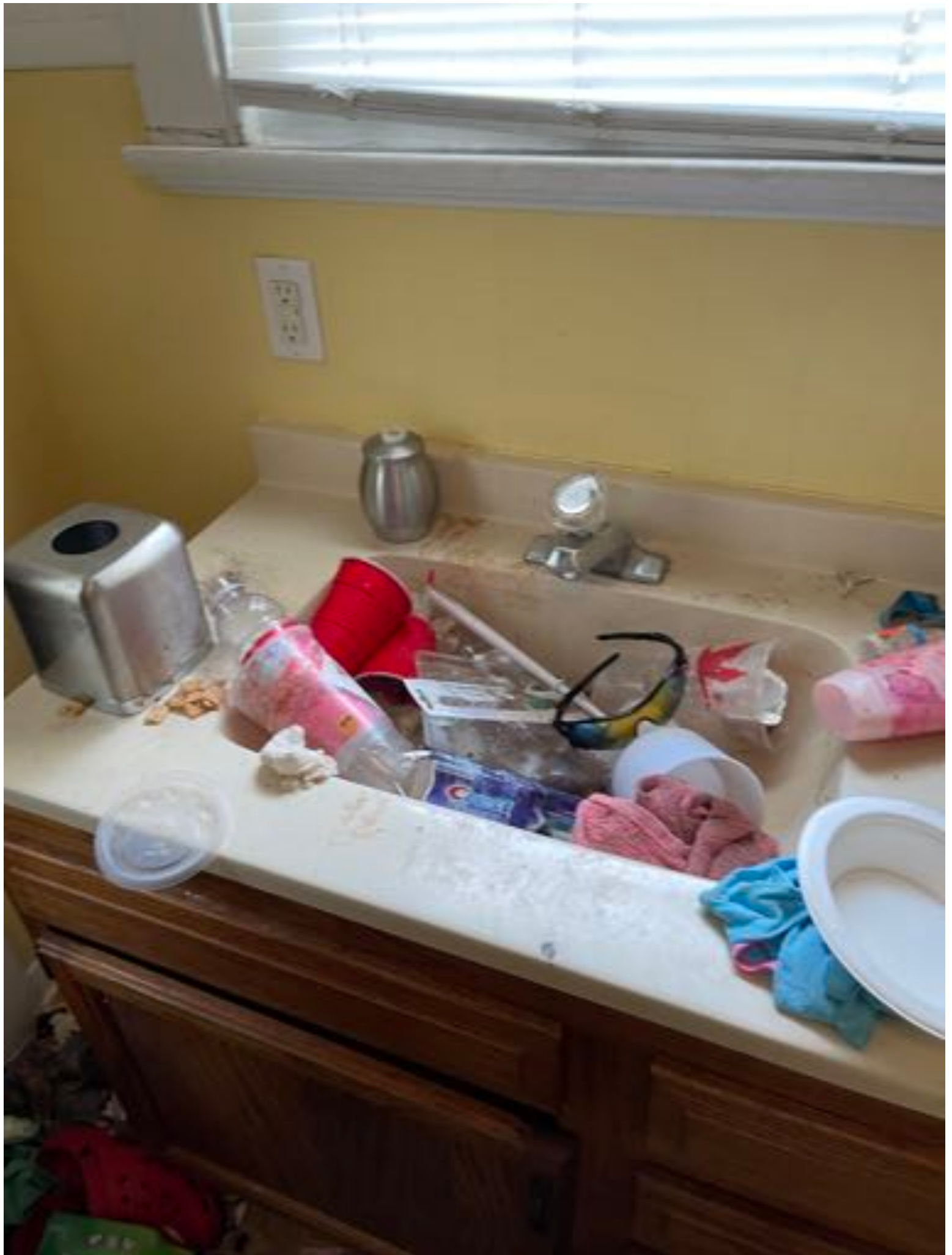




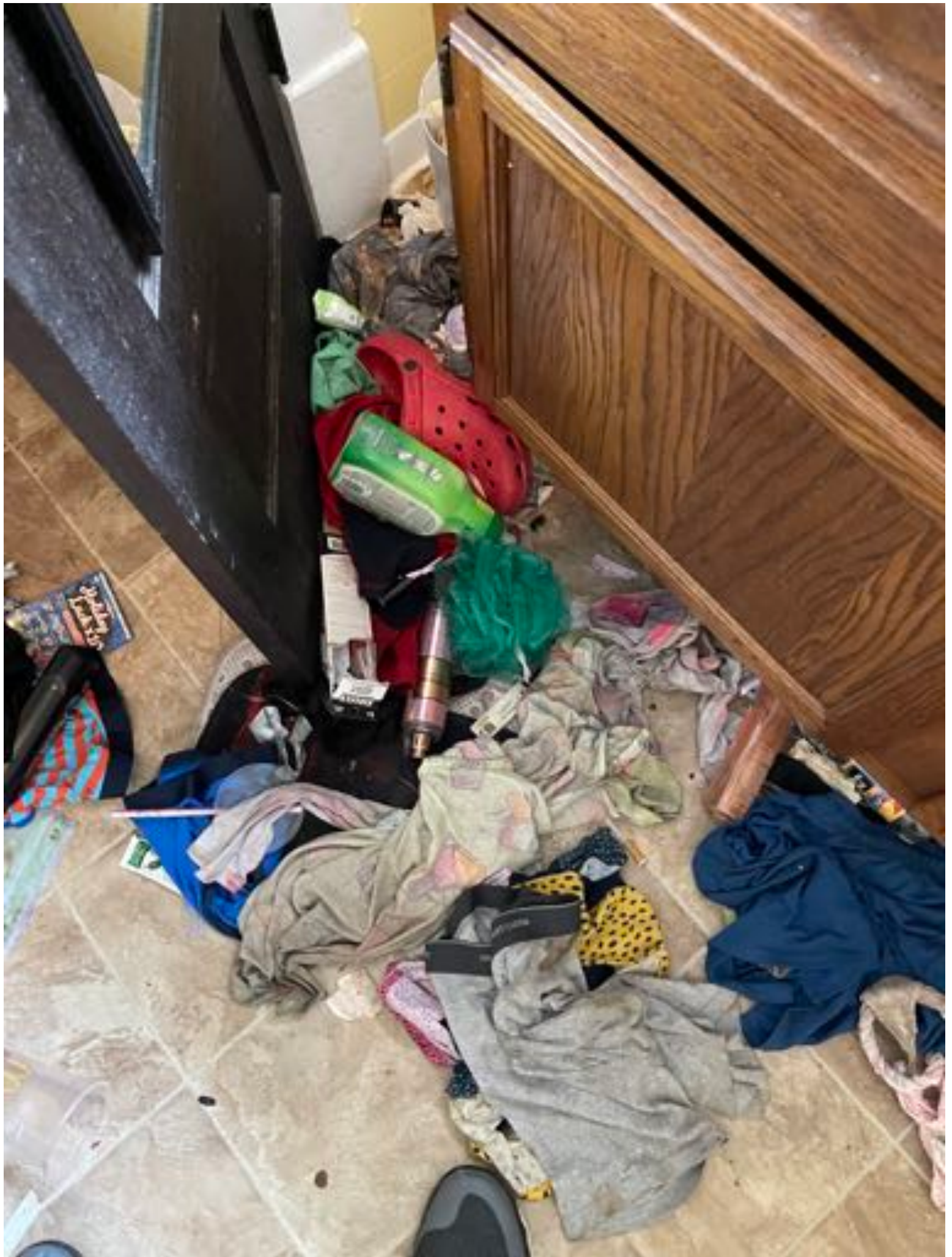


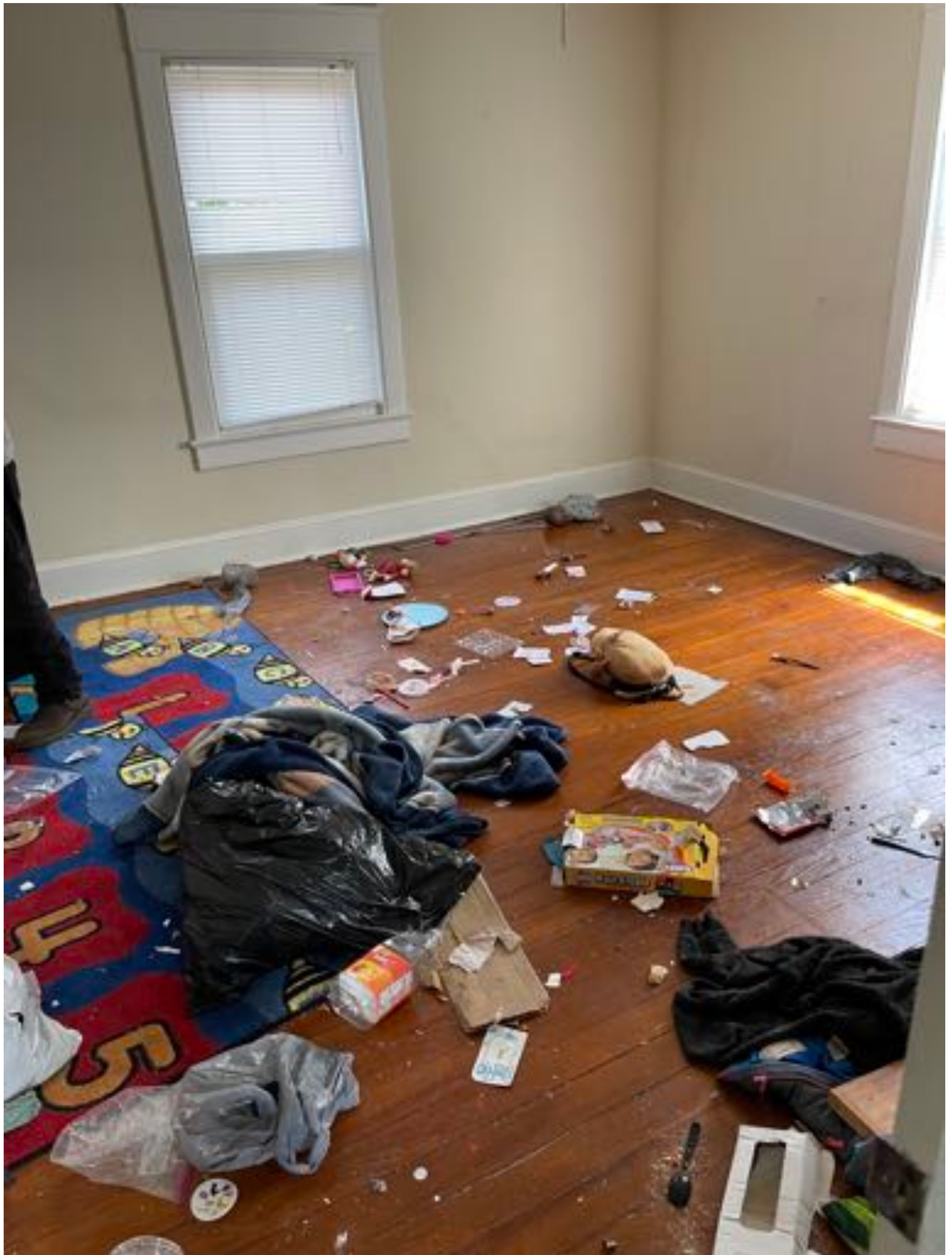


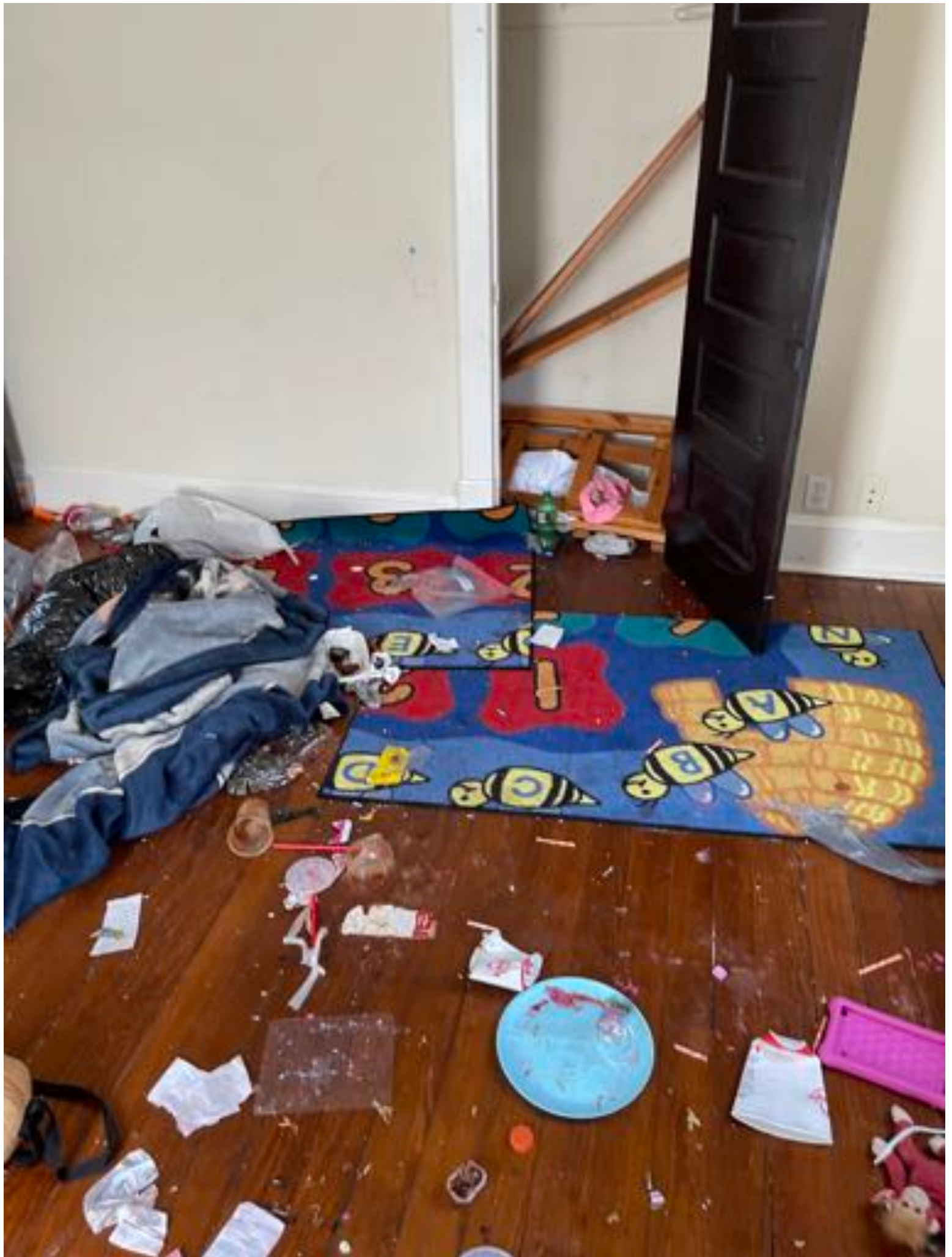












Testimony Senate Bill 481 unfavorable.pdf

Uploaded by: Lynne Bratten

Position: UNF

Testimony in opposition of Senate Bill 481

I am Lynne Bratten, a retired public school educator who has owned and managed residential rental property in Salisbury since 1982. I am testifying against Senate Bill 481.

I seldom file failure to pay rent cases, but when I do; it is often because the tenant needs the court action to qualify for assistance from agencies. This bill would prohibit the landlord from recovering the increased court costs and may prohibit tenants from getting assistance.

The court requires a 10-day intent to file notice during which payment or arrangements are possible. After 10 days I can file and get a court date.

If the tenant needs the paper work or has not paid, a court appearance is held. If judgement favors the landlord, the tenant has 7 days to pay which includes weekend days.

This process takes close to 30 days from the start to the filing of a warrant of restitution. On the day of the sheriff's presence onsite for the eviction (often up to 4 weeks later) the tenant can pay but I must pay the workers I hired to remove the contents.

In addition, this bill limits the security deposit to one month's rent. This has been my policy for 40 years; however, with the most recent turnover and the damages left by a well vetted tenant after only two years my expenses are more than 3 times the monthly rent.

The requirement to offer tenants a right of refusal could delay the sale of my properties and could cost me a sale. I get offers to buy my properties as package deals with no inspections from buyers hoping to use 1031 exchanges, which are time sensitive.

Finally, expanding the government with another agency is not necessary. Publishing a tenant's bill of rights can be done by DHCD.

The adverse impact to me and other small landlords is significant. I ask that this bill receive an unfavorable report.

Lynne Pollitt Bratten
Resident of Wicomico County Maryland
Salisbury, Maryland
OPPOSE Senate Bill 481

SB 481.pdf

Uploaded by: Michael Weisner

Position: UNF



Date: February 28, 2024

To: Judicial Proceeding Committee & Education, Energy & the Environment Committee

From: Michael C. Weisner

Re: SB481

Dear Committee Members,

There are two issues with SB481 that I, as a landlord and a licensed Realtor with almost 50 years of experience, ask you to reconsider.

The increase of filing fees for landlord court cases from \$8 to \$93 is excessive. Court fees are used to support the workings of the court systems, and should not be used as a source of revenue for unrelated programs, as desirable as they might be. Of greater concern is that this fee is to be assessed only against the landlord, no matter the outcome of the trial. Payment of this fee should be paid by the person who loses the case, whether it be the landlord or the tenant. The prevailing party should not have to pay court costs when the court determined the other party was in the wrong. Section 7-301, Paragraph 5 (on page 4) should be struck from this bill.

All of Section 8-119 should be struck and entirely reconsidered. Although the intentions are good, inserting the tenant into the middle of contract negotiations after a deal has been struck between a property owner and a prospective buyer is just plain wrong. If the intention is to give the tenant an opportunity of purchase a property from their landlord, a far better way would be to give the tenant notice of the listing of a property for sale and giving them 10 days in which they have exclusive rights to negotiate the purchase the property and write up an offer before it can be marketed to others. This is similar to what HUD does with certain foreclosed properties, with an owner-occupant or certain non-profits that are given the first opportunity to purchase a house before it is available for investors to purchase. Giving a tenant the first opportunity to purchase the property they reside in benefits both the tenant and the seller, for the seller is usually more than happy to sell to a tenant since it is quicker and easier than marketing it to the general public. Inserting a tenant into a deal that has already been agreed upon by a seller and a third party is not fair to either of those two parties.

I thank you in advance for your time and consideration.

SB 481 Renters' Rights and Stabilization

Uploaded by: Robert Taylor

Position: UNF

ROBERT TAYLOR

Salisbury, MD

February 29 (Bill Hearing Date – Judicial Proceedings Comm.)

TO: Senate Judicial Proceedings and Education, Energy, and Environment Committees

RE: SB 481 – RENTERS' RIGHTS AND STABILIZATION ACT OF 2024 (First Reader)

Senate Bill 481 should receive an unfavorable report.

This addresses oral testimony that was presented on February 20 before the House Environment and Taxation and the House Judiciary Committee on the companion (cross-filed) HB 693 by certain persons in support of the bills. Most likely, it will be reiterated either in person or by written statement by the following persons and/or others in support of this bill.

1. *Jacob (“Jake”) Day, DHCD Secretary.* Last week, he mentioned that a dozen or so states have a lower limit than Maryland on the amount that a landlord can require as a security deposit – currently 2 months' rent – but Mr. Day did not point out that more than 20 states do not impose any limit on the security deposit. Details are available here:

<https://www.nolo.com/legal-encyclopedia/chart-security-deposit-limits-state-29020.html>

<https://www.rocketlawyer.com/real-estate/landlords/property-management/legal-guide/security-deposit-laws-by-state>

This may be why many states have a lower rate of court eviction filings than Maryland because a higher security deposit tends to eliminate tenants who are unable to pay the rent. This function is especially significant because of the huge number of persons entering the United States unlawfully in recent years.

Secretary Day also argues that increasing the court filing fees for an eviction proceeding will reduce the number of such cases in the District Courts, most of which are dismissed without eviction (“pay and stay”), citing the much higher court fees in other states with lower eviction-filing rates, such as Alabama. No doubt, a primary reason for this difference is that tenants in those jurisdictions are motivated to avoid the much larger amount that they must pay to avoid eviction and, thus, pay rent as it becomes due at a much higher rate than tenants in Maryland. The so-called serial eviction filing rate in Maryland is the highest in the US according to data by the “Eviction Lab” at Princeton University – see the chart below – and the low court fees that must be paid to avoid eviction are certainly a major factor.

Prohibiting the landlord from recovering the court fees from a tenant, will negate the effect of the higher filing fees that Mr. Day and others support. Significantly, the Fiscal and Policy Note by the DLS, which expressly disagrees with the Administration’s opinion that the bill has minimal or no impact on landlords (“small business”), states in pertinent part (page 13, emphasis added):

Small Business Effect: *Numerous provisions of the bill likely have a meaningful impact on small business landlords. For example, landlords filing summary ejectment, tenant holding over, or breach of lease cases can no longer pass on certain imposed surcharges, which are significantly increased by the bill. Additionally, under certain circumstances, landlords must offer tenants the right of first refusal when desiring to sell a residential rental property, which may extend the overall timeframe for selling the property. Among other provisions, the bill also reduces the maximum security deposit a landlord may require and extends the process of repossessing property after a court enters judgment in a landlord's favor.*

2. *Former Attorney General Brian Frosh.* At the House hearing last week, he expressed angst that some landlords file for eviction promptly if their tenants fail to pay rent when it is due, arguing that it is inappropriate to use the courts as a “collection agency.” As Mr. Frosh is a member of the Maryland Bar, he surely must be aware that courts function in the same manner for other types of creditors, including stores/merchants that extend credit, banks, credit card companies, mortgage holders, pay-day lenders, contractors, etc. He is distraught that many, possibly most eviction cases end without an actual eviction (“pay and stay”), but that is true of the other cases in which a creditor seeks judicial action for an unpaid loan or other debt – the potential for judgment and seizure of assets, garnishment of pay, etc., results in payment of the debt, and the case is dismissed. If the courts were not available to provide redress for nonpayment of monetary obligations, there would be little if any credit extended by landlords, merchants, banks, etc.

Mr. Frosh also argues that landlords should not receive the procedural treatment – expedited action - that the courts do not extend to other creditors. But he fails to acknowledge that the landlord-tenant relationship is unique: the tenant has the possession and use (occupancy) of the landlord's property, but the landlord remains liable to the government for property taxes on the leased premises and for payment of other ordinary expenses, such as maintenance, insurance, etc. The presence of a tenant in default makes it difficult if not impossible for a landlord to mortgage, much less sell the property. And it's well recognized that tenants who fail to pay rent when due are likely to cause physical damage in excess of normal “wear and tear” to the premises, often well in excess of the maximum security deposit allowed by current Maryland law.

The suggestion posited by Mr. Frosh that landlords can, and should have to, recover unpaid rent by the general (“small claims”) process is naïve. Tenants that fail to pay rent are typically “judgment proof,” and the time that would elapse before obtaining a judgment would enable a tenant to remain in possession for an extended period without paying rent before being evicted.

One wonders if Messrs. Day and Frosh and the others who testified in support of the “Renters’ Rights and Stabilization Act of 2024” last week have any practical experience as a landlord or realize that private, for-profit landlords provide a very substantial amount of “affordable” rental units, which is especially the case in areas such as the City of Salisbury, where Mr. Day was the mayor for most of the past 8 years, that have a very low median household income. Without that supply, the State would have to subsidize much more affordable rental housing than required now.

FYI – I am neither a landlord nor a representative thereof, but rather a very concerned citizen.

SERIAL EVICTION FILING RATES – public & private, by state

Data from 2010 to 2016 – Source: No Safe Harbor: Eviction Filing in Public Housing ([Social Service Review, Volume 97, Number 3](#) (2023) [University of Chicago Press])

Available here: <https://www.journals.uchicago.edu/doi/abs/10.1086/725777>

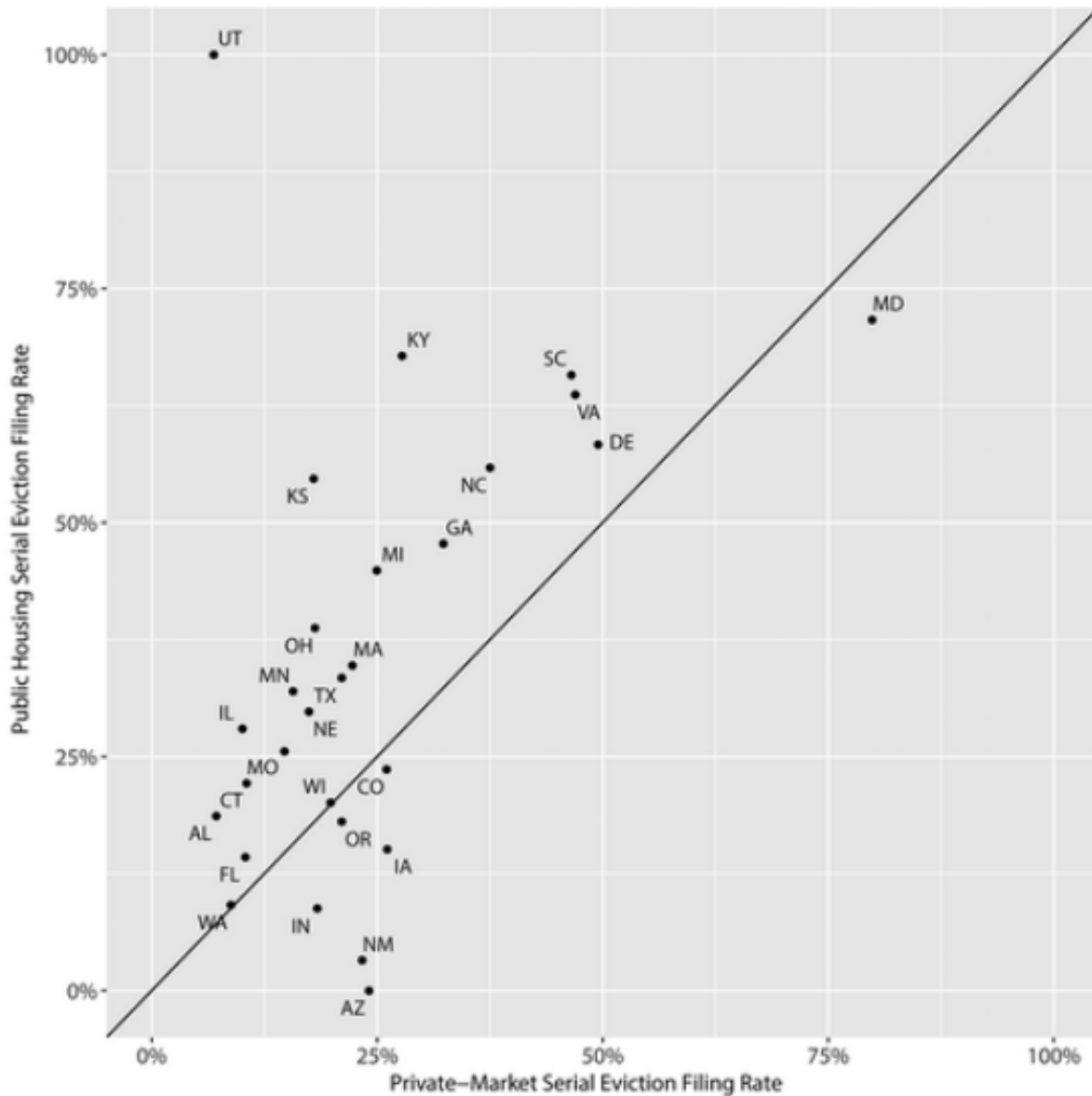


Figure 1. Serial eviction filing rates in public housing and the private market, by state

SB 481 [Information Only re Tenants' Right of First Refusal]

Uploaded by: William O'Connell

Position: INFO



Real Property Section

To: Judicial Proceedings Committee (Senate)

From: Legislative Committee of the Real Property Section Counsel

Date: February 28, 2024 [Hearing Date February 29, 2024]

Subject: **SB481 – Renters' Rights and Stabilization Act of 2024**

Position: **Information Only re Tenants' Rights of First Refusal**

The Real Property Section Counsel of the Maryland State Bar Association (MSBA) **opposes the Tenant's Right of First Refusal portion of Senate Bill 481 – Renters' Rights and Stabilization Act of 2024.**

****Note: MSBA supports all aspects of the bill except on the issue of a tenant's right of first refusal and has submitted separate testimony regarding those issues. MSBA defers to its practice-specific sections to provide any information or testimony on the tenant's right of first refusal, and the MSBA Real Property Section submits testimony on this limited portion of the bill.***

This bill would increase the District Court surcharge for cases involving summary ejectment, tenant holding over, or breach of lease that seeks a judgment for possession of residential property. The MSBA supports this aspect of the bill.

This bill also seeks to create an "Office of Tenants' Rights" who will create a "Tenants' Bill of Rights" and to create a "right of first refusal to purchase the property" in favor of a tenant, group of tenants, subtenant, lease, sublessee, or any other individual who is entitled to possession of occupancy or a residential unit. It the "right of first refusal" aspect of the bill that Real Property Section Counsel of the MSBA opposes.

After many years of applying a similar tenants rights law to single family residential property in the District of Columbia, the District Council essentially repealed the law. It had turned into a weapon used by lawyers and others to simply harass and demand sums to go away even when the tenant had no interest in purchasing the property. Maryland has some of the highest real estate transaction costs in the nation. The tenants' right of first refusal aspect of this bill will simply increase those costs for tenants and everyone else.

The offer to purchase is supposed to contain appraisal information, architectural plans and specifications, and operating information. Why would all that be required? Presumably the tenant lives in the residence and knows the property well. No other person who is interested in purchasing the property has a right to receive such information.

How will any purchaser know whether the seller complied with the law? If the tenant files an action to restrain or enjoin a sale, shouldn't such tenant be required to record a lis pendens in

the land records? What happens if the action is filed after the closing?

For these reasons, the Real Property Section Counsel of the MSBA **opposes the Tenant's Right of First Refusal portion of Senate Bill 481 and asks for an unfavorable report as to that aspect of the bill.** Thank you for your consideration.