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SB 556: Real Property – Fraudulent Possession and Unauthorized Lease or Listing – Prohibition and Removal
Hearing before the Senate Judicial Proceedings Committee on February 6, 2025

Position: OPPOSE (UNF)

The Public Justice Center (PJC) is a part of Renters United Maryland, which strongly opposes SB 556 because it will increase homelessness and the potential for violent encounters with law enforcement in our communities. We have seen too many tenants and other residents victimized by scams and predatory property owners. SB 556 will empower those predatory property owners to *evict residents without court process* and *make the Sheriff the judge and jury* in every case. We strongly oppose this assault on our communities.

A recent Public Justice Center client demonstrates the unconstitutional denial of due process, homelessness, and potential for violence that SB 556 would wreak. Our client and 6 other elderly or disabled tenants had been living in a home in Baltimore City for years, paying rent each month. A new owner purchased the property and even though he knew that there were seven elderly or disabled tenants in the home, he decided that he did not want to maintain the property and filed a complaint for Wrongful Detainer. The new owner thought that since he hadn't signed a lease, the residents were not tenants, which is completely wrong. Our clients never received notice of a court date, and didn't even know about the case until they received an eviction notice. We filed an emergency motion to stay the eviction with the court which was granted on the day that the eviction was supposed to take place. The parties subsequently settled. **If SB 556 were enacted, this new owner would only need to claim that the renters were not authorized to live in the home, and then the Sheriff would be required to evict them without any court process.**

Landlords already have a process for removal of unwanted occupants: Wrongful detainer, and even that process is riddled with errors. We have seen far too many clients who have been victims of scams, predatory landlords, and owner-management disputes. For example, some of our clients find a home online, are taken on a tour of the property, sign a lease, pay a security deposit and first month's rent, and are given keys to the property. Two weeks later they hear a knock on the door and are told that the rightful owner of the property did not authorize leasing the property. In another variation on this scheme, we have found instances in which a property management company claimed that they had the right to lease the property, but the owner disagreed. The tenant-resident is caught in the middle. Still in other cases, we have seen some unscrupulous landlords enter into a verbal agreement to lease and take the tenant's money, but after the tenant enters the property and starts to complain about

serious and substantial defects, the unscrupulous owner claims that there was never a landlord-tenant relationship.

Predatory landlords will abuse this process to evict tenants who complain about unsafe conditions. And landlords who threaten to report tenants as squatters will prompt plenty of tenants to vacate – even if that means homelessness – for fear of having the police called to their residences.

Rental scams are pervasive and increasing. Victims of these scams will quickly be made homeless under SB 556. A [2022 survey of renters showed that 44% of renters have personally experienced or are aware of someone who has lost money due to rental scams. The financial losses are estimated at a staggering \\$16.1 billion.](#) Such rental scams have spiked in recent years, with [the Better Business Bureau reporting a 45% increase in rental scam complaints over the past two years.](#) In one 2018 survey, [more than 5 million renters reported losing money in such scams.](#)

[Up to 25% of families who are evicted become homeless.](#) Becoming homeless is even more likely for residents evicted after a rental scam because those residents are often the most desperate for affordable housing. [Homelessness has a devastating impact, leading to negative education outcomes for children, increased foster care, job loss, and poor health outcomes.](#)

SB 556 will increase violent confrontations with law enforcement. [Eviction court processes were created to reduce the violence inherent in self-help evictions.](#) By removing any opportunity for a renter to make a defense in court, SB 556 will increase potentially violent confrontations among law enforcement, renters, and property owners.

SB 556 will have a disparate impact on Black, woman-led households. Maryland's long history of housing segregation and discriminatory policies mean that Black and Brown Marylanders are much more likely to be renters and at risk of eviction, and therefore more likely to be most in need of affordable housing and victims of rental scams. [73% of MD households that obtained eviction prevention funds in the pandemic's wake identified as Black, and 71% identified as being woman-led.](#)

SB 556 is part of a national, right-wing movement to strip residents of constitutional rights and embolden property owners at all costs. [SB 556 mirrors model legislation from American Legislative Exchange Council \(ALEC\), which has successfully passed in states such as Alabama, Tennessee, Florida, Georgia, and West Virginia.](#) Maryland should not join these states in passing legislation that will increase homelessness and the potential for violent law enforcement encounters.

Owners must adopt new processes and technologies to secure their units. Rental scammers are becoming more sophisticated, and [property owners of vacant units must keep up by using smart locks, security cameras, video doorbells, motion sensors, and smart lighting,](#) which allow for remote monitoring and access control, providing real-time alerts about potential security threats.

There is no data to support this bill. The General Assembly should conduct a summer study of ways to improve Wrongful Detainer. This Committee is operating in a total absence of data related to Wrongful Detainer and the prevalence of squatting. How long does it take for a wrongful detainer complaint to be heard in court? How long from judgment to eviction? What best practices could sheriffs and courts adopt in wrongful detainer cases? Can Maryland revise the Wrongful Detainer process to address legitimate concerns while preserving due process for unsuspecting residents who believe that they are tenants? How can Maryland better assist victims of rental scams?

The Public Justice Center is a 501(c)(3) charitable organization and as such does not endorse or oppose any political party or candidate for elected office.

Public Justice Center is a member of Renters United Maryland, which strongly opposes SB 556 and urges as unfavorable report. If you have any questions, please contact C. Matthew Hill, hillm@publicjustice.org, (410) 625-9409 Ext. 229.