



## SB0369

### Nonprofit Housing Corporations – Tax and Enforcement of Judgment Exemptions – Alterations

Hearing before the Senate Budget and Taxation Committee

On February 11, 2026

#### Position: Favorable With Amendment

*Maryland Legal Aid submits its written testimony on SB0369 at the request of the bill sponsor Senator Shelly Hettleman.*

Maryland Legal Aid is a non-profit law firm that provides free legal services to the State’s low-income and vulnerable residents. Our 12 offices serve residents in each of Maryland’s 24 jurisdictions and handle a range of civil legal matters, including for Marylanders struggling with housing insecurity and substandard housing conditions. Maryland Legal Aid works assertively to vindicate the right of low-income renters to live in safe housing. We support SB0369 with amendments that will ensure the legislation does not weaken tenants’ ability to hold non-profit landlords accountable for unsafe, unhealthy housing.

SB0369 adds specificity to the definition of “nonprofit housing corporation” for the purpose of qualifying nonprofit housing corporations for Payments in Lieu of Taxes agreements with a county. Maryland Legal Aid generally supports the proposed change. However, on page 2, lines 9-12, the alteration strikes from the existing code the requirement that nonprofit housing corporations provide safe and sanitary housing to persons of eligible income. Maryland Legal Aid proposes an amendment to retain that language about safe housing.

Secondly, SB0369 proposes to exempt nonprofit housing corporations from judgment enforcement mechanisms. On page 3, lines 15-25, the bill language shields nonprofit housing corporations from judgment liens and enforcement via levy and sale. Although these provisions protect a nonprofit housing corporation’s assets, they also insulate the landlord from liability for wrongdoing. Effectively, these provisions reduce low-income tenants’ lawsuits against negligent nonprofits to empty threats. To win repairs and compensation for actual injury caused by substandard housing conditions, tenants need to be able to enforce a court judgment against their landlords, including by subjecting a landlord’s assets to the threat of levy and sale. For this reason, Maryland Legal Aid proposes an amendment to strike all bill language on page 3, lines 15-25.

Maryland Legal Aid’s proposed amendments are provided below. To our understanding, **the proponents of the bill are amenable to this proposal.**

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For the forgoing reasons, Maryland Legal Aid urges the Committee’s **“favorable with amendments”** report on SB0369.

If you have any questions, please contact:

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### **Amendments Proposed by Maryland Legal Aid**

- Page 2 line 19, after “OPERATING” insert “SAFE AND SANITARY”.
- Page 3, beginning in line 15 through line 21, in each instance, strike the brackets; beginning in line 15 strike from “ALL” through “EXECUTION;” in line 17; in line 19 strike “DESCRIBED IN ITEMS (I) AND (II) OF THIS PARAGRAPH;”; in line 21 strike “AND”; beginning in line 22 strike from “A JUDGMENT” through “INCOME.” in line 25.