

Department of Legislative Services  
Maryland General Assembly  
2020 Session

FISCAL AND POLICY NOTE  
Third Reader - Revised

House Bill 768

(Delegate Attar, *et al.*)

Environment and Transportation

Judicial Proceedings

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**Baltimore City - Repossession for Failure to Pay Rent - Registration and License Information**

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This bill requires a lessor filing a written complaint to repossess property in Baltimore City due to the failure to pay rent to be in compliance with local law and State statute regarding licensure and registration as an affected property, respectively. At a trial for repossession for failure to pay rent, a landlord must show by a preponderance of the evidence that the property is in compliance with local licensing requirements, and may present an electronic copy of the license as proof of compliance. If the lessor fails to provide proof of compliance, a judge may not enter a judgment in favor of the lessor.

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**Fiscal Summary**

**State Effect:** The bill is not anticipated to materially affect State operations or finances.

**Local Effect:** The bill is not anticipated to materially affect Baltimore City operations or finances.

**Small Business Effect:** Minimal.

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**Analysis**

**Current Law:** Under the Baltimore City Code, an individual is prohibited from (1) renting or offering to rent to another all or any part of any rental dwelling without a currently effective license from the Housing Commissioner or (2) charging, accepting, retaining, or seeking to collect any rental payment or other compensation for providing to another the occupancy of all or any part of any rental dwelling unless the person is licensed, as

specified. A license is not required for any rental dwelling that is owned and operated by the Housing Authority of Baltimore City.

### *Registration of Affected Property and Complaints for Repossession*

An “affected property” is one that is at risk for lead paint contamination, as specified. Statutory provisions set forth a process by which an affected property must be registered. If a property to be repossessed is an affected property, the complaint is required to state that the landlord has registered the affected property as required under the Environment Article and kept the registration current. The complaint must also provide the inspection certificate number for the inspection conducted for the current tenancy, or state that the owner is unable to provide an inspection certificate number because:

- the owner has requested that the tenant allow the owner access to the property to perform the work required under the Environment Article;
- the owner has offered to relocate the tenant in order to allow the owner to perform work if the work will disturb the paint on the interior surfaces of the property and to pay the reasonable expenses the tenant incurs directly related to the relocation; and
- the tenant has refused to allow access to the owner or refused to vacate the property in order for the owner to perform the required work.

The information provided by the landlord may not be an issue of fact at trial.

**Background:** In *McDaniel v. Baranowski*, 419 Md. 560 (2011), the Maryland Court of Appeals held that a landlord is not entitled to use specified statutory remedies upon a tenant’s failure to pay rent if the landlord has not complied with applicable residential licensing requirements. The Baltimore City Sherriff’s Office (BCSO) advises that, since the enactment of Baltimore City’s rental registration requirement, it has detected a high number of unlicensed landlords scheduling evictions through BCSO’s office. BCSO also reports that, now that it has access to search the Baltimore City Housing and Community Development website, it has identified numerous cases of possible fraud (*e.g.*, landlords using fabricated or improper license numbers) in the filing of evictions. However, despite noncompliance, BCSO may be required to enforce an eviction against a tenant after the District Court issues an order of warrant of restitution. For example, on just one day in February 2020, BCSO identified 10 scheduled evictions where the property was not licensed as required by law.

Judiciary advises that, in fiscal 2019, there were a total of 136,777 failure to pay rent cases filed in Baltimore City, including 63,682 petitions for warrants of restitution.

**Small Business Effect:** Small business landlords in Baltimore City may be required to provide additional documentation to repossess residential property for failure to pay rent actions.

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### **Additional Information**

**Prior Introductions:** None.

**Designated Cross File:** None.

**Information Source(s):** Baltimore City; Judiciary (Administrative Office of the Courts); Department of Legislative Services

**Fiscal Note History:** First Reader - March 9, 2020  
rh/jkb Third Reader - April 3, 2020  
Revised - Amendment(s) - April 3, 2020  
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