

Department of Legislative Services
 Maryland General Assembly
 2024 Session

FISCAL AND POLICY NOTE
First Reader

Senate Bill 481 (The President, *et al.*) (By Request - Administration)
 Judicial Proceedings and Education, Energy,
 and the Environment

Renters' Rights and Stabilization Act of 2024

This Administration bill increases a certain surcharge assessed for summary ejectment, tenant holding over, and specified breach of lease cases to a maximum of \$93 per case. The surcharge must be deposited equally into the Maryland Legal Services Corporation (MLSC) Fund and the Statewide Rental Assistance Voucher Program within the Department of Housing and Community Development (DHCD). The bill also establishes the Office of Tenants’ Rights (OTR) in DHCD. In addition, among other provisions, the bill (1) extends the period between granting judgment for possession in favor of a landlord and the execution of the warrant of restitution; (2) establishes a tenant’s right of first refusal when the title to certain residential rental property is transferred; and (3) expands the categories of eviction data that must be collected by the Judiciary and provided to DHCD. **The bill’s provisions related to eviction data take effect October 1, 2025.**

Fiscal Summary

State Effect: Net special fund revenues increase by \$18.9 million and general fund revenues decrease by \$301,300 in FY 2025 due to the increase in the surcharge and an anticipated decrease in overall filings; future year revenues reflect annualization. General fund expenditures for the Judiciary and DHCD increase by a total of \$374,977 in FY 2025; the FY 2025 budget as introduced includes \$344,500 in general funds for DHCD, contingent on a bill that establishes OTR. Future year expenditures reflect annualization, inflation, and ongoing costs.

(\$ in millions)	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
GF Revenue	(\$0.3)	(\$0.4)	(\$0.4)	(\$0.4)	(\$0.4)
SF Revenue	\$18.9	\$25.2	\$25.2	\$25.2	\$25.2
GF Expenditure	\$0.4	\$0.4	\$0.4	\$0.4	\$0.5
Net Effect	\$18.2	\$24.3	\$24.3	\$24.3	\$24.3

Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate increase; (-) = indeterminate decrease

Local Effect: Local revenues from landlord-tenant surcharge and service fees, particularly in Baltimore City, decrease, as discussed below. The bill does not have a direct, material effect on local expenditures, as discussed below.

Small Business Effect: The Administration has determined that this bill has minimal or no impact on small business (attached). The Department of Legislative Services disagrees with this assessment, as discussed below.

Analysis

Bill Summary:

Surcharges for Landlord-tenant Cases

The bill increases, for certain landlord-tenant cases, the maximum surcharge imposed by the District Court as follows: (1) from \$8 to \$93 for summary ejectment (failure to pay rent) cases and (2) from \$18 to \$93 for tenant holding over or breach of lease cases that seek a judgment for possession of residential property against a residential tenant. The bill requires these surcharges to be assessed against a landlord and prohibits them from being awarded or assigned as a fee or cost against a residential tenant. Surcharge revenues must be deposited as follows: 50% into the Statewide Rental Assistance Voucher Program in DHCD and 50% into the MLSC Fund.

Statewide Rental Assistance Voucher Program

The bill alters the priority and criteria DHCD and each public housing agency must follow in awarding vouchers and housing assistance payments under the program. DHCD and each public housing agency must equally prioritize 50% of vouchers/payments for families that include a child younger than age 5 or a pregnant individual. The remaining 50% of vouchers/payments generally continue to be prioritized as under current law, which includes prioritizing families that include children younger than age 18; the bill specifies that families prioritized under this category are those with a child who is *at least age 5*.

Office of Tenants' Rights

OTR is established within DHCD to (1) ensure that tenants have access to educational resources to aid in understanding and exercising the tenants' rights under State law; (2) provide tenants with information on how to report a violation of their legal rights as tenants and facilitate referrals of reported violations to appropriate enforcement agencies; (3) provide tenants with information on how to obtain financial counseling; and (4) notify appropriate authorities regarding housing discrimination and other unfair or illegal housing

practices. The Secretary of Housing and Community Development must appoint the director of the office, who reports to and serves at the pleasure of the Secretary.

OTR must develop resources to aid tenants in understanding and exercising their legal rights as tenants, including (1) a Maryland Tenants' Bill of Rights that summarizes the existing rights and remedies available under State and federal law (and includes contact information for OTR) and (2) a publicly accessible website to provide access to the Maryland Tenants' Bill of Rights and other relevant informational resources. In addition, OTR must (1) 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 (2) provide resources to facilitate access by tenants to credit counseling.

OTR may (1) implement fair housing testing to ensure compliance by landlords with fair housing laws and (2) identify landlords that are out of compliance with federal, State, or local law and facilitate referrals of cases to an appropriate law enforcement agency or another appropriate agency.

By June 1 each year, OTR must publish the Maryland Tenants' Bill of Rights on its website.

Transfer of Property – Right of First Refusal

Generally: Subject to the limitations on applicability, as discussed below, before a voluntary transfer of title to a residential rental property may occur, any tenant or group of tenants of the property must have the right of first refusal to purchase the property. The right of a third party to purchase any residential rental property to which the bill's provisions apply is subject to the exercise of the right of first refusal by a tenant or group of tenants.

Notice Requirements: An owner of a tenant-occupied, single-family residential rental property, within five days after entering into a *bona fide* contract of sale for the property, must provide written notice to each tenant via certified mail, return receipt requested. An owner of a tenant-occupied, residential rental property containing more than one but fewer than five individual dwelling units must likewise provide notice to each tenant under the same circumstances.

The notice must include (1) a *bona fide* offer to sell the property to the tenant/group of tenants at a price identical to any pending *bona fide* contract of sale with a third party and, (subject to a limited exception) with the same terms and conditions of that contract; (2) any information about the property relevant to exercising the right of first refusal, as specified; and (3) any information regarding deadlines for a response to the *bona fide* offer to sell.

A *bona fide* offer to sell the property to a tenant/group of tenants may not include a restriction on financing methods or the right of inspection.

Exercise of Right of First Refusal: A tenant/group of tenants must inform the owner of an intent to exercise the right of first refusal by first-class mail within 20 days after the date of delivery of the notice and offer of sale. The right of first refusal is considered waived if the tenant declines or fails to respond within 20 days.

If a group of tenants acting jointly does not respond within 20 days or jointly declines to exercise the right of first refusal, an individual tenant may notify the owner via first-class mail of the individual tenant's intent to exercise the right of first refusal, as specified. If more than one individual tenant provides notice to an owner under these circumstances, the owner may decide which contract is more favorable without liability to another tenant.

Delivery and Execution of Contract: Within 10 days after notification of an intent to exercise the right of first refusal, an owner must deliver to the tenant/group of tenants an executed contract of sale for the property on the same terms and conditions as indicated in the offer of sale or the arm's-length, third-party contract.

The tenant/group of tenants must execute and return the contract, along with any required deposit and proof of financing to the owner within 10 days. The owner may not require a tenant/group of tenants to secure financing and financial assistance for a purchase of property less than 90 days after the date of return of an executed contract. Any deposit required by a contract of sale under the bill's provisions may not exceed 4% of the sale price.

Criminal Penalty and Right to Relief: An owner who violates these provisions is guilty of a misdemeanor and subject to a maximum fine of \$1,000 per violation.

A tenant may seek relief from a court of competent jurisdiction to restrain or enjoin any violation.

Waiver, Applicability, and Preemption: The rights of a tenant under these provisions may not be waived or assigned, and any attempted waiver or assignment is void. These provisions preempt 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.

These provisions do not apply to the following circumstances:

- transfer of a title to the spouse, child, parent, or sibling of the owner, or to the parent or sibling of the spouse of the owner;
- transfer of title through a testamentary document or through inheritance;
- transfer of title to a government agency;
- transfer of title in lieu of foreclosure of a mortgage or deed of trust;
- property donated as a gift to any nonprofit, as specified; or
- residential rental property with five or more individual dwelling units.

Residential Lease Requirements and Prohibitions

The bill decreases, from two months' rent to one month's rent, the maximum security deposit that may be imposed by a landlord.

The bill expands the provisions that may not be included in a lease to include prohibitions against (1) requiring a tenant to pay more than the sum of the security deposit and the first month's rent in order to start the lease and occupy the premises; (2) waiving or placing conditions on a tenant's right of first refusal; or (3) providing that a tenant is responsible for – or requiring a tenant to agree to be responsible for – payment of the surcharge assessed against the landlord by the District Court under the bill's provisions. A lease must include a copy of the most recent version of the Maryland Tenants' Bill of Rights.

Failure to Pay Rent – Procedures

The bill extends, from four days to seven days, the minimum time period between the granting of a judgement of possession in favor of the landlord and the issuance of an execution of a warrant of restitution against the tenant.

The bill *requires* the administrative judge of any district to stay the execution of a warrant of restitution in the event of extreme weather conditions, as specified under the bill, or due to any other state of emergency declared under specified provisions of the Public Safety Article. A warrant of restitution granted a stay for these circumstances must be completed within five days after the extreme weather conditions stop or the state of emergency is terminated or expires.

Eviction Data Collection and Publication – Provisions Effective October 1, 2025

The bill specifies that “eviction data” – as generally required under current law to be collected by the Judiciary and shared with DHCD for publication – must include the following information, regardless of whether an eviction occurs:

- the name of the landlord;
- the street address, city, county, and zip code of the premises;
- the date of filing of the complaint and the type of action;
- for a hearing or trial related to the complaint, whether the tenant appeared at the hearing or trial and whether the tenant had legal representation;
- the date of entry of a judgement for possession;
- whether the right of redemption was foreclosed at the time of the entry of judgment for possession, if applicable;
- the date of issuance of the warrant; and
- the outcome of the issuance of the warrant, as specified.

The Judiciary must notify DHCD and provide updated eviction data if the Judiciary discovers that any shared eviction data (for any collection period) is inaccurate or incomplete. The bill also specifies that DHCD must publish and make available only *publicly disclosable* data (defined in the bill as data not required to be withheld from disclosure under the Public Information Act or other law).

Current Law:

Surcharges for Landlord-tenant Cases

Generally, the Chief Judge of the District Court must assess a surcharge of up to \$8 for summary ejectment (failure to pay rent) cases and \$18 for all other civil cases (including breach of lease and tenant holding over actions). Money from this surcharge is deposited into the MLSC Fund, which is used to finance civil legal services to indigent clients. An additional surcharge of up to \$3 for summary ejectment cases and \$8 for all other civil cases is also assessed for the benefit of the Circuit Court Real Property Records Improvement Fund. In Baltimore City, further surcharges are applied to certain landlord-tenant cases; these funds are remitted to the city to enhance the service of domestic violence orders.

A judge may waive the prepayment of filing fees and other costs due to indigence.

Statewide Rental Assistance Voucher Program

Chapter 446 of 2023 established the Statewide Rental Assistance Voucher Program in DHCD. The purpose of the program is to provide vouchers and housing assistance payments for low-income families that are currently on a waiting list under the federal Housing Choice Voucher Program for housing in units approved by DHCD or a public housing agency within the State. DHCD and each public housing agency must equally prioritize vouchers and housing assistance payments for families that meet specified

demographic criteria. Pursuant to Chapter 446, the Governor is required to include \$10.0 million in the annual budget bill for the program in fiscal 2025 through 2027 and sufficient amounts in future years to fund the same number of vouchers. The fiscal 2025 budget as introduced includes \$10.0 million in general funds for the program, consistent with the mandated appropriation.

Eviction Proceedings – Generally

In general, a landlord seeking to evict a tenant initiates the process by filing the appropriate action (*e.g.*, failure to pay rent, breach of lease, etc.) in the District Court. If awarded a judgment by the court, the landlord files a warrant of restitution, which, once reviewed and signed by the court, authorizes an eviction. The warrants of restitution are forwarded to the local sheriff's office who is then authorized to carry out the evictions. Statute sets forth numerous specific requirements for such actions, including those related to written notice prior to filing certain actions.

In failure to pay rent actions, if judgment is in favor of the landlord and the tenant does not return the premises to the landlord or otherwise satisfy the judgment by paying the applicable rent and late fees within 4 days, as specified, the court must, at any time after 4 days have elapsed, issue a warrant of restitution. The court may, upon presentation of a certificate signed by a physician certifying that surrendering the property within the 4-day period would endanger the health or life of the tenant or other occupant, extend the time for surrender of the premises as justice may require up to 15 days. Statutory provisions also authorize stays of execution in other specified circumstances, such as in the event of extreme weather conditions.

If the landlord does not order a warrant of restitution within 60 days from either the date of judgment or the expiration date of any stay of execution (whichever is later), then (1) the judgment for possession must be stricken and (2) the judgment must generally count toward the threshold for the number of judgments at which a tenant no longer has the right to redemption of the leased premises, as specified.

Residential Lease Requirements and Prohibitions

Any landlord who offers five or more dwelling units in the State for rent may not rent a unit without using a written lease. The lease must include (1) a statement that the premises will be delivered in a livable condition, with reasonable safety, if that is the agreement, or if both parties agree otherwise, a statement of the agreement concerning the condition of the premises; (2) the landlord's and the tenant's specific obligations for heat, gas, electricity, water, and repair of the premises; and (3) a receipt for the security deposit, as specified.

Among other requirements regarding leases, a landlord may not use a lease or form of lease containing any provision that, among others:

- has the tenant agree to waive/forego any right or remedy provided by applicable law;
- imposes a penalty for the late payment of rent in excess of specified thresholds;
- authorizes the landlord to take possession of the leased premises or the tenant's personal property unless the lease has been terminated by action of the parties or by operation of law, and the personal property has been abandoned by the tenant without the benefit of a formal legal process;
- is against public policy and void, as specified;
- requires the tenant to accept notice of rent increases by electronic delivery; or
- limits the ability of a tenant to summon the assistance of law enforcement or emergency services or penalizes a tenant solely for summoning the assistance of law enforcement or emergency services.

Eviction Data – Collection and Publication

The Judiciary is required to collect, compile, and share residential eviction data on a monthly basis in a manner required by DHCD. “Eviction data” means, in regard to specified landlord/tenant actions, the (1) county and zip code of the subject premises; (2) date of execution of the warrant of restitution or writ of possession; and (3) the type of action from which the warrant or writ was issued. DHCD must organize and format the data and publish the data on its website. Generally, the data must be made available, on request, by (1) a State agency; (2) an agency of a county or municipality; or (3) an academic institution located in the State.

Background: The Governor’s Office reports that this bill, which is part of the Administration’s legislative package, is intended to address the immediate needs of tenants who are experiencing housing instability. Specifically, the bill was introduced in an effort to, among other things, (1) establish OTR to provide tenants with information about their rights under law and to create the Maryland Tenant’s Bill of Rights; (2) address the high eviction filing rate by increasing a specified surcharge in landlord-tenant actions and preventing it from being passed on to tenants; (3) create a new pathway to homeownership by creating a statewide right of first refusal, allowing some tenants the right to purchase their home if being sold; and (4) modify the Statewide Rental Assistance Voucher Program to provide prioritization of vouchers for families with children younger than age five and for pregnant women.

In a 2021 op-ed, former Attorney General Brian E. Frosh addressed numerous concerns with the State’s system for landlord-tenant disputes and highlighted the overall low cost of

filing such actions as contributing to the State's high rate of eviction filings. The landlord's cost of filing is one of the lowest nationwide, causing some landlords to file against the same household repeatedly, essentially using the District Court as a collection agency. Legislation to increase the surcharges on filings in specific landlord-tenant actions has been introduced in prior years, but those measures have not been successful.

The General Assembly has, however, enacted several measures in an attempt to provide resources, information, and assistance to tenants, including, among others, measures to (1) require landlords, prior to filing a failure to pay rent action against a tenant, to provide written notice to tenants of an intent to file a claim; (2) establish the Access to Counsel in Evictions Program; (3) require landlords to demonstrate compliance with any local licensing laws; and (4) authorize court-ordered stays in failure to pay rent proceedings if a tenant is awaiting the results of an application for rental assistance.

Despite the actions taken to date, data provided by the [Judiciary](#), as included in a DHCD dashboard, indicate that more than 21,500 tenants were evicted during 2023, with approximately 19,000 of those evictions resulting from failure to pay rent actions.

State Fiscal Effect: Total special fund revenues from the surcharge increased by the bill increase by \$19.1 million in fiscal 2025 and by \$25.5 million annually thereafter. As a result of an expected decrease in the number of certain filings, (1) special fund revenues for the Circuit Court Real Property Records Improvement Fund decrease by \$226,010 in fiscal 2025 and by \$301,347 annually thereafter and (2) general fund revenues decrease by \$301,347 in fiscal 2025 and by \$401,796 annually thereafter. The fiscal 2025 estimates reflect the bill's October 1, 2024 effective date. General fund expenditures increase by a total of \$374,977 in fiscal 2025 for computer programming costs in the Judiciary and DHCD costs to establish OTR; the fiscal 2025 budget as introduced includes \$344,515 in general funds for DHCD contingent on the enactment of legislation that establishes OTR, which this bill effectuates. Future year expenditures are annualized and reflect inflation and ongoing costs.

The bill's *annualized* revenue impact on the multiple funds/programs affected by the bill is shown in **Exhibit 1**. A more detailed discussion of these effects is provided below.

Exhibit 1
Annualized Revenue Impacts

<u>Surcharge Recipient</u>	<u>Revenues Collected Under Current Law*</u>	<u>Revenues Collected Under the Bill**</u>	<u>Difference</u>
Maryland Legal Services Corporation Fund	\$3,368,996	\$14,412,117	\$11,043,121
Statewide Rental Assistance Voucher Program	n/a	\$14,412,117	\$14,412,117
General Fund (Filing Fee Revenues)	\$1,641,548	\$1,239,752	(\$401,796)
Circuit Court Real Property Records Improvement Fund	\$1,231,161	\$929,814	(\$301,347)

* Reflects revenues collected in fiscal 2023, as estimated and provided by the Judiciary.

** Assumes a 25% reduction in summary ejectment case filings only.

Source: Judiciary; Department of Legislative Services

Surcharge Revenues for the Maryland Legal Services Corporation Fund and the Statewide Rental Assistance Voucher Program

The Judiciary advises that more than 410,300 summary ejectment, tenant holding over, and breach of lease cases were filed in the District Court during fiscal 2023, with summary ejectment cases accounting for approximately 401,800 of the cases. Accordingly, summary ejectment cases alone generated \$3.2 million in surcharge revenues for the MLSC Fund in fiscal 2023. Other civil cases in the District Court to which the surcharge affected by this bill were applied generated approximately \$154,620 in fiscal 2023. Due to the significant increase in the maximum surcharge authorized by the bill, this analysis assumes that filings from summary ejectment cases decrease by 25%. This reflects an assumption that, when subject to higher costs associated with filing such cases and being prohibited from passing the higher costs on to tenants, landlords will alter filing behavior. For example, landlords may wait until larger amounts of past-due rent have accrued before filing. While the number of case filings varies each year, this estimate assumes that the number of cases to which the surcharges are imposed remains constant each year, after accounting for the 25%

decrease. However, this analysis does not anticipate that the increase in the surcharge has a meaningful effect on the volume of tenant holding over or breach of lease cases. In addition, although the bill establishes that the surcharge may not exceed \$93 per case, for purposes of this analysis, the surcharge is assumed to be \$93 per case.

Accordingly, total special fund revenues from the surcharge increased by the bill increase by approximately \$19.1 million in fiscal 2025, reflecting the bill's October 1, 2024 effective date, and by approximately \$25.5 million annually thereafter. Although the MLSC Fund and the Statewide Rental Assistance Voucher Program share the proceeds equally, the estimate reflects a revenue increase of (1) \$8.3 million for the MLSC Fund in fiscal 2025 and \$11.0 million annually thereafter, after accounting for surcharge revenues that it already receives under current law and (2) \$10.8 million for the Statewide Rental Assistance Voucher Program in fiscal 2025 and \$14.4 million annually thereafter; that program does not receive any surcharge revenues under current law. To the extent filings decrease more significantly than anticipated, the revenue increase is moderated but still significant. Likewise, to the extent the maximum surcharge is not imposed, the revenue increase is moderated.

Furthermore, although the Statewide Rental Assistance Voucher Program is currently funded with general funds and the bill does not explicitly create a special fund to receive the surcharge revenues, this estimate assumes that the surcharge revenues distributed to DHCD under the bill are treated as special funds.

While the bill does not explicitly *require* additional spending from the MLSC Fund and the Statewide Rental Assistance Voucher Program, significant additional funding is available for the fund and the program as a result of the bill.

Circuit Court Real Property Records Improvement Fund

In addition to the surcharge for the MLSC Fund and the Statewide Rental Assistance Voucher Program, an additional surcharge of \$3 continues to be imposed and credited to the Circuit Court Real Property Records Improvement Fund, which is used to support all personnel and operating costs within the land records offices of the clerks of the circuit courts. Accordingly, special fund revenues for the fund decrease by \$226,010 in fiscal 2025 (due to the bill's October 1, 2024 effective date) and by \$301,347 annually thereafter, which reflects the assumed reduction in summary ejectment case filings. It is assumed that, even with the funding decrease, special fund revenues are sufficient to sustain the fund without the need for general funds. To the extent that filings decrease more significantly, the revenue decrease is further exacerbated.

General Fund Revenues Affected by the Bill

In addition to the surcharges, a flat filing fee of \$4 is imposed on summary ejectment cases. Accordingly, general fund revenues decrease by \$301,347 in fiscal 2025 and by \$401,796 on an annual basis, which reflects the assumed reduction in summary ejectment case filings. To the extent that filings decrease more significantly, the revenue decrease is exacerbated.

Department of Housing and Community Development

Although other components of the bill can be handled by DHCD using existing resources, it requires additional staff for the newly established OTR. Specifically, three positions are required to, among other responsibilities, develop informational materials for tenants, create points of contact for tenants to report violations of their rights, and provide resources to facilitate tenant access to credit counseling. Accordingly, general fund expenditures increase by \$344,515 for staff and associated start-up and operating costs in fiscal 2025, which accounts for the bill's October 1, 2024 effective date; the fiscal 2025 budget as introduced includes \$344,515 in general funds for DHCD, contingent on legislation establishing the office, which this bill effectuates. Future year expenditures, which total approximately \$412,900 in fiscal 2026, increasing to approximately \$466,500 by fiscal 2029, reflect full salaries with annual increases and employee turnover as well as annual increases in ongoing operating expenses.

Judiciary

General fund expenditures for the Judiciary increase by \$30,462 in fiscal 2025 only for computer programming costs. To the extent that fewer cases are filed, thereby reducing the workload of the District Court, operational efficiencies may be realized.

Penalties

The bill's penalty provision is not anticipated to materially affect State finances.

Local Fiscal Effect: As noted above, pursuant to current law, other surcharges are imposed on landlord-tenant actions filed in Baltimore City. To the extent that overall filings decrease in Baltimore City as a result of the bill's increased surcharge, Baltimore City revenues decrease. Fee revenues associated with service of process in landlord-tenant actions may also further decrease in Baltimore City and other jurisdictions. While expenditures strictly associated with evictions may decrease, resources are assumed to be directed elsewhere so that there is no material effect on local government expenditures from these changes.

It is assumed that local public housing agencies can implement the bill's changes relating to the Statewide Rental Assistance Voucher Program using existing resources. As noted above, the bill does not *require* additional spending by DHCD under the program; however, because the bill *significantly* increases available funding for the program, amounts distributed to public housing agencies likely increase.

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.

Additional Information

Recent Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: HB 693 (The Speaker, *et al.*) (By Request - Departmental - Housing and Community Development) - Environment and Transportation and Judiciary.

Information Source(s): Baltimore City; Harford and Wicomico counties; Office of the Attorney General (Consumer Protection Division); Judiciary (Administrative Office of the Courts); Department of Housing and Community Development; Maryland Department of Labor; Governor's Office; Department of Legislative Services

Fiscal Note History: First Reader - February 25, 2024
rh/jkb

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ANALYSIS OF ECONOMIC IMPACT ON SMALL BUSINESSES

TITLE OF BILL: Renters' Rights and Stabilization Act of 2024

BILL NUMBER: SB0481

PREPARED BY: Brad Fallon

PART A. ECONOMIC IMPACT RATING

This agency estimates that the proposed bill:

WILL HAVE MINIMAL OR NO ECONOMIC IMPACT ON MARYLAND SMALL BUSINESS

OR

WILL HAVE MEANINGFUL ECONOMIC IMPACT ON MARYLAND SMALL BUSINESSES

PART B. ECONOMIC IMPACT ANALYSIS

This omnibus legislation seeks to 1) increase the eviction filing surcharge to \$100, in line with the national average of \$109; 2) prevent the pass through of the eviction filing fee from landlords to tenants; 3) limit allowable security deposits to the equivalent of one month's rent; and 4) provides a right of first refusal for renters to purchase their rental homes in cases where the owner has decided to sell the property.

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.