



Bill Title: House Bill 491, Landlord Tenant - Repossession for Failure to Pay Rent - Lead Risk Reduction Compliance

Committee: Environment & Transportation

Date: February 18, 2020

Position: Unfavorable

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 housing homes in over 958 apartment communities. Our members house over 538,000 residents of the State of Maryland. MMHA also represents over 250 associate member companies who supply goods and services to the multi-housing industry.

In a complaint to re-possess property, House Bill 491 specifies that if the property is required by local law or regulation to operate under a valid registration or license issued by a state, county, or municipal organization, the landlord or agent must state that the property is registered or licensed and provide the registration or license number for the property to be repossessed. Additionally, House Bill 491 requires that if the property to be repossessed is an affected property, the landlord or agent must state that the property is an affected property and that the landlord has registered the affected property as required and renewed the registration

MMHA opposes this bill for the following reasons:

Duplicative: Currently, on a Failure to Pay Rent form, landlords are required to state if the property is an “affected property” and if so, provide the MDE inspection certificate number.

Functional Problems: If a property owner is lead free or limited lead free or the property was built after 1978, the property is considered non-affected and a property owner checks that box on the Failure to Pay Rent form. At this time, MDE has two databases - one for properties that are affected and one for properties that are non-affected. The affected property database is searchable from the internet. The non-affected is not accessible to the public. Specifically:

- Maryland Department of the Environment (MDE) Lead Rental Registry - This is a searchable database by the public. Affected properties should be registered with this database. “Affected properties” do not include those properties that are lead free or limited lead free (i.e. – no interior lead and exterior lead paint that is not chipping, flaking, or peeling). This database could be helpful for your concerned constituents living in pre-1978 rental properties.
- MDE has a second database, The Lead Rental Certification and Accreditation Information database. This is where the non-affected properties, those that have gone lead free or limited lead free, are stored. Unfortunately, the public cannot access this database. As you will see with the next bullet points, MDE struggles to use this database.
- From the 2019 operating budget, on page 15 (italics and bold added): MDE’s fiscal 2020 funding for IT increases by a net of \$2,305,535 for DoIT service charges. DoIT is moving to a Fee For Service funding model, which results in declining DoIT general fund appropriations and



increasing reimbursable fund appropriations. This increase is offset partially by decreases for the following IT projects that have been completed or prior year funding is available for use: wetland permit system database (\$225,000); water source protection database (\$250,000); lead in schools database (\$500,000); *and the lead rental certificate and accreditation major IT development project (\$841,448). No funding is provided for either the lead rental certificate and accreditation or environmental permit tracking system modernization projects in fiscal 2020, although funding is programmed for the latter project in fiscal 2021. MDE notes that the lead rental certification and accreditation project received 11 responses to the task order Request for Proposals and that vendor selection is anticipated by April or May 2019. For the environmental permit tracking system modernization project, MDE notes that it has completed 8 of the 27 time periods that the project has broken down and that the next phase will be to develop a new user interface.*

- And on page 25: The MDE special fund appropriation decreased by a net of \$8,617,223. The changes are as follows.
 - Deficiency/Withdrawn Appropriation: A decrease of \$561,129 was due to the withdrawn appropriation for health insurance savings in Section 19 of the fiscal 2019 Budget Bill.
 - Cancellations: A decrease of \$8,056,094 as a result of cancellations in the Land and Materials Administration due to scrap tire removal projects not being ready, lower than anticipated revenues in several subprograms, and less mining material being needed (\$2,835,955); the Coordinating Offices due to fewer wastewater treatment plants being eligible for enhanced nutrient removal operations and maintenance grants than anticipated (\$2,054,127); the Coordinating Offices – Bay Restoration Fund Debt Service due to debt service payments being less than the appropriation (\$1,243,899); the Water and Science Administration due to delays in tidal and nontidal wetland mitigation projects in coordination with the Chesapeake Bay Trust (\$1,202,647); *the Coordinating Offices – Major Information Technology Development Project Fund due to delays in the Lead Rental Certification and Accreditation major information technology (IT) project (\$550,000); and other programs (\$169,466).*
 - Cancellations: A *decrease of \$2,474,471 due to cancellations in Coordinating Offices – Major Information Technology Development Projects due to the Environmental Permit Tracking System Modernization Project and the Lead Rental Certification and Accreditation major IT project being delayed (\$2,233,305)*, the Water and Science Administration due to delays in the Maryland Port Administration reimbursable grant Hart Miller Island project (\$170,368), and other programs (\$70,798).

Issue at Trial: Since the Lead Rental Certification and Accreditation Information database is unavailable and the bill repeals the prohibition that this is an issue of fact at trial (page 5, line 24-25), it disadvantages the Court and the litigants. Until MDE provides public access to this particular database, the Court has no way to confidently determine whether a property is lead free or limited lead free.

For these reasons, MMHA therefore respectfully requests an **unfavorable report** on House Bill 491.

Aaron J. Greenfield, MMHA Director of Government Affairs, 410.446.1992