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March 26, 2021

To: The Honorable William C. Smith, Jr.
Chair, Judicial Procedures Committee

From: Kira Wilpone-Welborn
Consumer Protection Division

Re: House Bill 523 – Landlord and Tenant - Repossession for Failure to Pay Rent -
Registration and License Information (SUPPORT)

The Consumer Protection Division of the Office of the Attorney General (the "Division") supports House Bill 523, which requires landlords to submit documents to the District Court demonstrating compliance with local licensing and registration requirements at the time they file summary ejectment actions.

Landlord-tenant complaints are consistently among the top complaints received each year by the Division. A 2016 summer study that included landlords, tenant advocates, Maryland's courts, government officials, and others highlighted existing issues arising in rent court actions, including the subject matter of this bill. Several Maryland jurisdictions (Baltimore City, Anne Arundel County, and Prince George's County) require landlords to meet licensing and registration requirements before renting residential property. However, Maryland law does not currently require landlords who file summary ejectment actions against tenants in Maryland's courts to submit documentary evidence demonstrating compliance with local licensing and registration requirements. Instead, landlords need only certify on the District Court complaint form that they have complied with such requirements.

The Division has received complaints against landlords who lack a current rental license, yet erroneously certify they maintain the applicable license or registration when filing summary ejectment actions against tenants. Placing the burden on tenants to combat an erroneous certification at an expedited hearing without discovery is unfair to unsophisticated, and often unrepresented, tenants when landlords are in the best position to demonstrate compliance with a local jurisdictions' rental licensing and registration requirements. The Court of Appeals has found that a business, which is required to be licensed, may not use the courts to enforce a contract if

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they are not so licensed. *See, e.g., Golt v. Phillips*, 308 Md. 1, 12 (1986). House Bill 523 is consistent with this principle and a reasonable step toward ensuring landlords comply with local licensing and registration requirements and preventing Maryland landlords who fail to comply from pursuing collection and eviction actions against tenants in Maryland's courts.

Accordingly, the Division requests that the Judicial Proceedings Committee give House Bill 523 a favorable report.

cc: Members, Judicial Proceedings Committee