



Senate Bill 232, Civil Cases - Surcharges

Committee: Judicial Proceedings Committee
Date: January 26, 2021
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.

Senate Bill 232 increases the surcharge amount from \$55 to \$75 that the State Court Administrator may assess as part of the Administrator's determination of the amount of court costs and charges in civil cases. Moreover, the bill increases the surcharge that the Chief Judge of the District Court may assess for summary ejectment cases and all other civil cases. Specifically, the bill increases the amount for summary ejectment cases from \$8 to \$13 and from \$18 to \$24 for civil cases.

By raising filing fees and barring landlords from collecting fees from tenants who have not paid their rent, Senate Bill 232 ensures that rent prices will be increased on all tenants. Pursuant to Maryland law, landlords' are provided with one option when a tenant fails to pay rent – file for eviction. When the price of eviction cannot be passed on to the tenants that have failed to pay their rent, the price is unfairly passed on through rent increases levied against tenants that have paid.

Senate Bill 232 precludes collection of all surcharge fees solely in eviction cases. Historically these charges have always been collectable from defendants. This selective and fundamentally unfair proposition is nothing less than an unprecedented tax on access to Maryland's courts assessed upon a single type of our state's essential business and corporate citizenry and will do nothing to stem the tide of future eviction filings. This action is unprecedented. Instead of precluding landlords from collecting filing fees from tenants who have failed to pay their rent, the state should be focused on ensuring that rental assistance money is quickly and appropriately distributed.

In the midst of a pandemic that has resulted in unprecedented rent delinquencies, Senate Bill 232 increases eviction filing fees for cases that are not currently being scheduled. Pursuant to court guidance, and with respect to potential federal actions, eviction cases may not be scheduled until late 2021 at the earliest. Increasing filing fees and removing the ability to recoup those fees from tenants will do nothing to solve Maryland's current crisis.

To avoid increased rent prices for all tenants, MMHA offers the following amendment to Senate Bill 232:

On page 4, line 1, strike **“THE SURCHARGE FOR A SUMMARY EJECTMENT CASE UNDER § 2 8–401 OF THE REAL PROPERTY ARTICLE MAY NOT BE PASSED ON TO A TENANT BY THE COURT OR BY A LANDLORD.”**

For the aforementioned reasons, MMHA respectfully requests an unfavorable report on Senate Bill 232.

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