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- **HB 523** - Baltimore City – Repossession for Failure to Pay Rent – Registration and License Information
 - **HB 524** - Anne Arundel County and Prince George’s County – Repossession for Failure to Pay Rent – Rental Property License Information

In House Judiciary Committee on Feb. 17, 2021

Position: SUPPORT

The Public Justice Center is a not-for-profit, civil legal aid organization that serves over 700 renters each year throughout Maryland. HB 523 and HB 524 are locally effective bills that ensure that District Court rent dockets in Baltimore City (HB 523), Anne Arundel County (HB 524), and Prince George’s County (HB 524) provide no safe harbor for landlords who fail to comply with local rental licensing ordinances. We urge the Committee to issue Favorable reports on each of these bills.

Public Justice Center’s [2015 study Justice Diverted](#) showed that renters are not getting a full and fair hearing when they are sued for eviction in the “summary ejection” process. Worse, in these “Rent Court” actions, landlords easily and routinely use the courts even as they are violating local and state laws by leasing units without having passed an inspection and obtained a valid rental license. In Public Justice Center’s study of over 100 contested eviction actions in Baltimore City, over 70 percent of landlords had either omitted rental licensing information from the complaint or provided the court invalid information.¹ Looking at this phenomenon across the state, Maryland Legal Aid found in [a 2016 report](#) that in over 21,000 eviction cases that resulted in default judgments for repossession, the landlord failed to provide any rental licensing information on the court complaint despite not having an exemption from licensing.²

Public Justice Center supports HB 523 and HB 524 because they require landlords to demonstrate, by preponderance of evidence at the trial of a Failure to Pay Rent action, that the rental unit is licensed.

¹ Public Justice Center, *Justice Diverted: How Renters Are Processed in the Baltimore City Rent Court 24-25* (2015), http://www.publicjustice.org/wp-content/uploads/2019/09/JUSTICE_DIVERTED_PJC_DEC15.pdf

² Maryland Legal Aid, *Human Rights in Maryland’s Rent Court: A Statistical Study 24* (2016), https://www.mdlab.org/wp-content/uploads/MDLegalAid_RentCourtStudy_Release-Date-9-8-16.pdf

HB 523 and HB 528 are much-needed measures to support localities in the enforcement of their rental licensing ordinance. By effectively barring unlicensed, law-breaking rental operators from the court's eviction process, these bills eliminate financial incentives to ignore the municipal or county public-safety mandates.

These bills recognize that under the Court of Appeals decision *McDaniel v. Baranowski*, 419 Md. 560 (2011), that District Court judges should not provide any relief in Failure to Pay Rent eviction cases where the landlord is unlicensed. Importantly, however, that jurisprudence left uncertain whether a landlord who attests to having valid licensing has any burden at trial to show their valid license. HB 523 and HB 524 clarify that landlords do have the obligation to show their valid licensure to the court, at time of trial, to obtain a judgment, and further, that it is neither the court nor the tenant who should carry the burden of identifying unlicensed properties or initiating the inquiry as to licensing status.

HB 523 is identical to the amended version of HB 768 that passed through the House in 2020. HB 524 follows most of HB 523's mechanics and language but for a provision that requires landlords to make their rental license available for inspection at the time of filing a court complaint for Failure to Pay Rent. Key in this provision is that HB 524 does not require clerks to ministerially assess the inspected license and potentially deny filings. Additionally, HB 524 includes a bar against use of temporary or provisional rental licenses to satisfy the landlord's burden. This addition is not included in HB 523 because Baltimore City's housing agency no longer issues provisional licenses.

Please issue reports of FAVORABLE on both HB 523 and HB 524. If you have any questions, please contact Zafar Shah, shahz@publicjustice.org, (410) 625-9409 Ext. 237.