



Bill Title: House Bill 112, Residential Property – Eviction Proceedings – Sealing of Court Records

Committee: Judiciary

Date: February 17, 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.

Under House Bill 112, the District Court must seal all court records relating to an eviction proceeding if the court proceedings:

- do not result in a judgment in favor of the landlord
- 30 days after the final resolution of the eviction proceeding or, if the court proceedings result in a judgment in favor of the landlord
- 3 years after the final order or judgment in the eviction proceeding.

House Bill 112 states that if a tenant is a defendant in a subsequent eviction proceeding during the 3–year period, the District Court must also seal all records relating to the earlier eviction proceeding 3 years after the most recent final order or judgment. Additionally, House Bill 112 permits the District Court to seal court records relating to an action of eviction at any time, on a motion by the tenant, if the tenant demonstrates that the eviction was retaliatory in nature, there is a legitimate defense to the proceeding related to domestic violence, dating violence, sexual assault or stalking or the parties entered into a settlement agreement. The District Court could also seal if it finds other groups justifying such action. An order dismissing, granting, or denying a motion filed under this section shall be a final order for purposes of appeal.

MMHA opposes the bill for the following reasons:

1. Value in Reviewing Court Records: The ability to review credit scores and court records, particularly those involving previous failures to pay rent, is an important tool that assists residential housing providers. To be clear, a negative rental history does not, in and of itself, preclude an applicant from leasing of an apartment. However, a full accounting of a tenant’s prior rental history is critical to structuring a productive tenancy that benefits tenants and limits the risk incurred by property owners. If the objective of HB 112 is to assist prospective residents, the answer is not to hide or shield records from prospective residential housing providers. Conversely, a lack of court records, including failure to pay



rent court histories, creates a false picture of the prospective resident. It could suggest the resident is a stronger applicant. However, if that's not the case, encouraging approval of a lease with rents which are not manageable could result in throwing the consumer into an even larger problem

2. Residential Housing Providers have a Duty of Care An inability to consider an applicant's rental court records could impact the larger community. If we are unable to have a true picture of the applicant, this could result in an increase in eviction actions. As we assess rent prices, if we are constantly evicting at a higher rate, rent increases will occur targeted against those who are doing the right thing. We have a duty to those residents
3. Credit Reporting Laws: Federal and Maryland credit reporting laws currently authorize the reporting, evaluating and factoring of court records for a seven year history. We should not seek to shorten the 7 year life span of such records to 3 years

For these reasons, we respectfully request an unfavorable report on House Bill 112.

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