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February 15, 2021

To: The Honorable Luke Clippinger
Chair, Judiciary Committee

From: Kira Wilpone-Welborn
Consumer Protection Division

Re: House Bill 523 – Baltimore City – 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 sponsored by Delegate Dalya Attar, which ensures that a landlord is in compliance with legal requirements for renting a residential property before the landlord is able to evict a tenant through a summary ejectment action in Baltimore City.

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. In Baltimore City, a landlord is required to be licensed before renting a property. However, there is no requirement under current law that the landlord provide evidence to the court that it is in compliance with this requirement before using the courts to evict a tenant. It is well-settled that a business, which is required to be licensed, may not use the courts to enforce a contract if they are not so licensed. *See, e.g., Golt v. Phillips*, 308 Md. 1, 12 (1986). House Bill 523 is consistent with this principle.

Although the District Court complaint forms require landlords to certify they maintain applicable rental licenses, the Division has encountered landlords who have allowed their rental licenses to lapse but continue to file eviction actions against their 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. Instead, landlords who are already in possession of documentation and evidence of their licensure are in the best position to certify with the courts their compliance with Baltimore City's rental licensing requirements. By requiring that a landlord provide evidence to the court of compliance with this licensing requirement, House Bill 523 would

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ensure that a landlord in Baltimore City who has not met these prerequisites for renting an apartment cannot use the courts as a tool for collection and eviction. The Division believes that House Bill 523 is a reasonable measure that will help ensure that a landlord in Baltimore City who wishes to use the courts to evict a tenant was authorized to rent that unit to the tenant in the first place.

Accordingly, the Division requests that the Judiciary Committee give House Bill 523 with amendments a favorable report.

cc: The Honorable Dalya Attar
Members, Judiciary Committee