



## **House Bill 478 – Civil Cases – Surcharges**

### **Position: Support with Amendments**

Maryland REALTORS® supports HB 478 with amendments offered by the Maryland Multi-Housing Association to permit landlords to recover the fee.

REALTORS® often manage property for owners who lease their single-family property for many reasons. Sometimes it is because the owner is seeking to create additional income for their family by holding onto property they once lived in. Sometimes, they choose rental real estate as a separate investment vehicle where the rent helps pay the mortgage so that they will eventually have equity in the property at the end of the mortgage term. Sometimes, it is because the owner of the property was under water and instead of selling the property at a loss, they keep it until the market prices recover so they don't lose equity. Other times an owner may have a temporary but longer-term job relocation and they would like to hold onto the property and move back in when their temporary assignment is over.

The COVID-19 pandemic has caused significant economic challenges for tenants and landlords alike. While much attention has appropriately been focused on tenants, it is also true that the impact on some small landlords has been equally tough. While many landlords work hard to provide safe housing and work with their tenants who are experiencing financial challenges, some smaller landlords have little flexibility. When a nonpaying tenant exists, the landlord may not be able to pay the mortgage or other costs associated with maintenance on a property.

Some of our property managers report to us that their smaller owners are opting out of renting their properties due to the uncertainty of collecting rent combined with a strong sales market that will allow them to recoup some of the equity in their property. The REALTORS® can support the fee increase in the legislation but believe that landlords should be able to recover such fees.

With the proposed amendments for HB 478, the REALTORS® recommend a favorable report.

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