



House Bill 367

Committee: Environment and Transportation
Date: February 8, 2022
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.

I. Summary

House Bill 367 (“HB 367”) applies to all residents that qualified for unemployment benefits, experienced a reduction in household income, incurred significant costs, or experienced other financial hardship either directly or indirectly due to, **or during**, the pandemic. HB 367 requires housing providers to provide a 14-day notice to residents who do not pay rent in addition to the 10-day notice they currently receive. If the resident does not pay rent, enter into a payment plan, or apply for rental assistance within 14 days, HB 367 requires housing providers to apply for rental assistance on behalf of residents. A housing provider may only file for repossession under Real Property § 8–401 if: (1) written approval is not received from a rent relief program within 45 days after the initial application; (2) written approval is not received within 14 days of a subsequent application; (3) the tenant refuses to apply for rent relief or provide information necessary for an application; (4) a tenant is ineligible for rental assistance; or (5) there are no remaining relief funds from the Federal Cares Act or the American Rescue Plan.

II. Bill Impact

HB 376 **adds 59 additional days** to what is already a historically delayed rent court process. To be clear, courts have not heard non-payment of rent cases since late December 2021, and courts will not begin to hear non-payment of rent cases until March 7, 2022, at the earliest. Due to court closures and court scheduling processes, jurisdictions across the state are experiencing significant delays between a court filing and a court hearing. **The time between a court filing and a court hearing for non-payment of rent cases is more than one year in some jurisdictions.** Maryland’s housing providers simply cannot afford additional delays to an already excessively slow process.

In practice, HB 367 also voids the 10-day notice law that became effective on October 1, 2021, in favor of a 14-day notice that unintentionally encourages residents to **take no action**. Specifically, HB 367 incentivizes residents who are not paying their rent to continue to not pay their rent for 14 days, at which point their housing provider will be required to apply for rental assistance on their behalf. However, HB 367’s application is so broad that the bill will force housing providers to apply for rental assistance on behalf of residents that do not qualify. In turn, applicants who do qualify may experience longer wait times for application approval as rental assistance programs work through a higher volume of applications for ineligible applicants.



Additionally, the bill calls for a landlord to apply for rent relief on behalf of the tenant. Most rental assistance programs currently operating in Maryland do not allow the Landlord to apply for assistance on a tenant's behalf - the tenant is required to apply. After the tenant applies, those programs accept the application, and the housing provider must provide various types of information such as a rent ledger and lease status so the application can be completed and vetted by the program. Further, federal regulations require the tenant to sign a self-attestation as part of the application. As such, MMHA is unsure of how a housing provider would comply with federal regulations and this bill at the same time. **For the aforementioned reasons, MMHA respectfully requests an unfavorable report from the committee.**

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