



Bill No: HB 367 -- Landlord and Tenant – Repossession for Failure to Pay Rent – Rental Assistance Programs

Committee: Environment and Transportation

Date: 2/8/2022

Position: Unfavorable

The Apartment and Office Building Association of Metropolitan Washington (AOBA) represents members that own or manage more than 23 million square feet of commercial office space and 133,000 apartment rental units in Montgomery and Prince George’s Counties.

House Bill 367 requires a housing provider to supply a resident information about rental assistance programs and, within 14 days after notice is given, apply for rental assistance on behalf of the resident. These actions must occur before a housing provider can file a complaint for failure to pay rent. A housing provider may file for repossession of a unit if they do not receive written approval from a rent relief program within 45 days after the date the application was submitted. In practice, this bill adds 59 days to an already significantly delayed court process.

AOBA members frequently work with the emergency rental assistance program in both Montgomery and Prince George’s Counties. They also work closely with residents to submit applications for rent relief, are very familiar with the application process and the wait to receive funds. AOBA’s experience with the programs make us wonder if jurisdictions can make the required notification within 45 days after an application has been submitted. Prince George’s County is experiencing a significant backlog—such that they have shut down their rental assistance program. If programs are not able to provide notice within 45 days, all that is accomplished by this bill is barring housing providers from filing a failure to pay rent action for 59 days. While supportive of exhausting rental assistance options, AOBA opposes legislation that further delays a housing provider from seeking legal remedy.

When the courts reopen for failure to pay rent cases in March, they will be hearing cases filed several months before. Currently it takes 14 months between filing and going to court in Prince George’s County and 11 months in Montgomery County. An applicant

for rental assistance will receive confirmation and payment of funds long before they ever must go to court. As such, AOBA does not believe there is a need to prohibit housing providers from filing if the goal is to ensure residents have an opportunity to receive rental assistance, pay their delinquent rent balance and stay in the property.

Both Prince George's and Montgomery County's rental assistance programs are currently closed to new applications. Montgomery County has stated that their program will reopen, but no date has been offered. When contacted, Prince George's County has not given AOBA assurance that the program will reopen. How do these realities impact this legislation? Additionally, many jurisdictions do not allow a housing provider to apply for assistance on behalf of a resident and per federal regulations a resident must sign a self-attestation document. AOBA questions how this legislation works in jurisdictions that do not allow housing providers to apply and within the framework of the federal regulations.

AOBA members are happy to continue providing residents information about the emergency rental assistance programs—if and when they reopen. Members will also continue to work with residents to apply for rental assistance—once they are able to apply. AOBA members have been working with residents to make it through these trying times since March 2020. However, in some cases, housing providers must utilize an eviction filing as a last resort and should not be barred from *filing* for an additional 59 days.

For these reasons AOBA requests an unfavorable report on HB 367.

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