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www.DisabilityRightsMD.org

**Disability Rights Maryland
SB 100 - Real Property – Actions to Repossess – Proof of Rental Licensure**

Hearing before the House Judiciary Committee on March 29, 2023

Position: SUPPORT (FAV)

Disability Rights Maryland (DRM – formerly Maryland Disability Law Center) is the federally designated Protection and Advocacy agency in Maryland, mandated to advance the civil rights of people with disabilities. DRM works to increase opportunities for Marylanders with disabilities to be part of their communities and live in safe, affordable and accessible housing. This includes representing persons with disabilities in eviction proceedings to prevent unnecessary homelessness and institutionalization.

SB 100 as amended is identical to amended HB 36, which recently passed Committee and then the full House by a vote of 101-34. In localities that have a landlord licensing law, SB 100 would stop landlords who do not have a license from using streamlined court processes to evict tenants. Licensing laws protect public health and safety through periodic inspections. Like any other business, if a landlord wants to file suit in Maryland courts, they must be licensed in any jurisdiction that requires licensure.

Landlord representatives and representatives from Renters United Maryland negotiated a series of amendments to create exceptions in SB 100 for situations in which 1) the tenant caused the licensing failure, 2) the licensing agency erred in failing to issue the license, or 3) situations in which the landlord acted in good faith to obtain a license but has been unable to do so because of a problem with a unit unrelated to the eviction case. These amendments were the product of sustained negotiation and strike a balance between the interests of tenants and landlords. **We urge the Committee to pass amended SB 100 with no new amendments.**

DRM has represented tenants in Tenant Holding Over actions where the property does not have a valid, current rental license to lease the premises. In two such cases, judgments were entered in favor of the Landlord for possession. The consequences of this, such as homelessness and/or housing subsidy termination, are dire for DRM clients and all Maryland renters.

Licensing laws in six (6) counties and other municipalities require landlords to pass a periodic health and safety inspection. The vast majority of landlords comply with these laws. However, we have witnessed many clients or constituents whose landlords refuse



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to make repairs, refuse to obtain a license, extract as much rent as possible, and when the tenant complains, move to evict them through one of Maryland's streamlined eviction processes. **When unlicensed landlords successfully use eviction court, the system is rewarding their behavior and in essence penalizing landlords who follow the rule, potentially encouraging all landlords to ignore licensing laws and increases the risk of tenants being subjected to health and safety hazards.**

While current law prevents illegally operating landlords from obtaining a judgment for eviction for failure to pay rent, the Court created a loophole in *Velicky v. CopyCat* by allowing illegally operating landlords to obtain an eviction in Tenant Holding Over cases. 476 Md. 435 (2021). On Jan. 17, 2023, the [Baltimore Banner reported](#) that **"Tenant Holding Over filings are now about three times higher than they were before the pandemic."** Under current law, landlords in these cases may ignore basic health and safety laws and still use the taxpayer-funded court system to evict tenants.

Judge Shirley Watts understood this dynamic, and wrote in dissent in *Velicky*: "Allowing [the landlord] to evict [tenants] in a tenant holding over action under RP § 8-402 without a license essentially renders the licensing requirement of Baltimore City Code ... meaningless and defeats its purpose of ensuring that rental properties are fit to live in. As a result of the majority opinion, Copycat and other landlords will have very little incentive to get licenses, which would require bringing rental properties up to code."

Disability Rights Maryland is a member of the Renters United Maryland, a statewide coalition of renters, organizers, and advocates, and **we urge the Committee's Favorable report on SB 100 with no further amendments.**

Please do not hesitate to contact Kane Levings at kanel@disabilityrightsmd.org for any questions.