



Bill Title: Senate Bill 19, Landlord and Tenant – Repossession for Failure to Pay Rent – Shielding of Court Records

Committee: Judicial Proceedings Committee

Date: January 30, 2024

Position: Favorable with amendments

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.

Under Senate Bill 19, a landlord may not increase a tenant's rent solely because a judgment was entered against the tenant in a failure to pay rent action. Further, within 60 days after the final resolution of a failure to pay rent proceeding, the District Court must seal all court records relating to the proceeding if the proceeding did not result in a judgment of possession. On motion by a tenant, the District Court may seal all court records relating to a failure to pay rent proceeding that results in a judgment of possession if the tenant demonstrates by a preponderance of the evidence that the tenant exercised the right of redemption and at least 12 months have passed since the final resolution of the proceeding that the tenant seeks to seal or the district court determines that it is in the interest of justice that the court records relating to the failure to pay rent proceedings be sealed. The District Court is required to seal the court records within 30 days after granting the tenant's motion to seal.

MMHA has no objection to shielding a landlord/tenant action if the final resolution resulted in a dismissal or order for the tenant in a judgment of repossession. However, MMHA offers the following technical amendments that largely have an impact on the provisions related to right to redemption and rent escrow.

AMENDMENT No. 1

On Page 2, Lines 20-24

(I) (1) WITHIN 60 DAYS AFTER THE FINAL RESOLUTION OF A FAILURE TO PAY RENT PROCEEDING, THE DISTRICT COURT SHALL SEAL ALL COURT RECORDS RELATING TO THE PROCEEDING IF THE PROCEEDING DID NOT RESULT IN A JUDGMENT OF POSSESSION AND NO APPEAL IS PENDING. **THIS SECTION DOES NOT APPLY TO ACTIONS FOR RENT ESCROW UNDER § 8– 211 OF THIS TITLE.**



Background: Clarifying that rent escrow matters (affirmative or defensive) are not subject to being shielded if they are related to a FTPR action regardless of the outcome of the case.

AMENDMENT No. 2

On Page 2, Lines 27-31

1. THE TENANT DEMONSTRATES BY A PREPONDERANCE OF THE EVIDENCE THAT
(a)THE TENANT EXERCISED THE RIGHT OF REDEMPTION UNDER
SUBSECTION (G) OF THIS SECTION, (b) [STRIKE THE WORD “AND”] AT
LEAST 12 MONTHS HAVE PASSED SINCE THE FINAL RESOLUTION OF THE
PROCEEDING THAT THE TENANT SEEKS TO SEAL, AND
(c)THAT THE TENANT HAS HAD NO MORE THAN 3 JUDGMENTS FOR
POSSESSION IN THE 12 MONTHS PRIOR TO THE REQUEST TO SEAL UNDER
THIS SECTION; OR

Background: Clarifying that the ability to seal a FTPR judgment is not an infinite right based solely on judgments entered on a rolling 12 month basis, but rather is consistent with the right of redemption language in section §8-401 (g) (3) limiting its use to three judgments in any 12 month period.

For these reasons, we respectfully request a favorable report with amendments on Senate Bill 19.

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