

HOUSE BILL 1008

D1, N1

1lr1798

By: **Delegate Hill**

Introduced and read first time: February 5, 2021

Assigned to: Judiciary

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 9, 2021

CHAPTER _____

1 AN ACT concerning

2 **Failure to Pay Rent Proceedings – Prohibition on Rent Increases and Sealing of**
3 **Court Records**

4 FOR the purpose of prohibiting a landlord from increasing rent for a certain reason;
5 requiring the District Court to seal court records relating to a failure to pay rent
6 proceeding if the proceeding does not result in a judgment of possession; authorizing
7 the District Court to seal court records relating to a failure to pay rent proceeding
8 that results in a judgment of possession on a certain motion under certain
9 circumstances; prohibiting the District Court from sealing court records relating to
10 a failure to pay rent proceeding under certain circumstances; authorizing certain
11 sealed records to be opened under certain circumstances; authorizing a tenant to
12 obtain a copy of a certain order in a certain manner; specifying the time frame for
13 sealing certain court records under this Act; requiring the Maryland Judiciary to
14 develop and publish a certain form on its website on or before a certain date;
15 requiring a certain form to include certain information; providing for the effective
16 dates of this Act; and generally relating to a prohibition on increasing rent and
17 sealing court records relating to failure to pay rent proceedings.

18 BY ~~repealing and reenacting, without amendments,~~ adding to
19 Article – Real Property
20 Section ~~8–401(c)~~ 8–119 and 8–401(g)
21 Annotated Code of Maryland
22 (2015 Replacement Volume and 2020 Supplement)

23 BY ~~adding to~~ repealing and reenacting, without amendments,

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



Article – Real Property

Section ~~8-401(g)~~ 8-401(e)

Annotated Code of Maryland

(2015 Replacement Volume and 2020 Supplement)

Preamble

WHEREAS, In November 2020, 2,410 failure to pay rent proceedings were dismissed; and

WHEREAS, The presence of an eviction proceeding, including failure to pay rent, remains on a tenant's record even if the proceeding is dismissed; and

WHEREAS, A tenant may experience long-term adverse effects from an eviction proceeding even when an eviction filing does not result in a judgment against the tenant; now, therefore,

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

Article – Real Property

8-119.

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 UNDER § 8-401 OF THIS TITLE.

8-401.

(e) (1) Subject to paragraph (2) of this subsection, in any action of summary ejectment for failure to pay rent where the landlord is awarded a judgment giving the landlord restitution of the leased premises, the tenant shall have the right to redemption of the leased premises by tendering in cash, certified check or money order to the landlord or the landlord's agent all past due amounts, as determined by the court under subsection (c) of this section, plus all court awarded costs and fees, at any time before actual execution of the eviction order.

(2) This subsection does not apply to any tenant against whom 3 judgments of possession have been entered for rent due and unpaid in the 12 months prior to the initiation of the action to which this subsection otherwise would apply.

(G) (1) WITHIN ~~30~~ 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.

(2) (I) 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:

1. THE TENANT DEMONSTRATES BY A PREPONDERANCE OF THE EVIDENCE THAT THE TENANT EXERCISED THE RIGHT OF REDEMPTION UNDER SUBSECTION (E) OF THIS SECTION AND AT LEAST 12 MONTHS HAVE PASSED SINCE THE FINAL RESOLUTION OF THE PROCEEDING THAT THE TENANT SEEKS TO SEAL; OR

2. 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.

(II) THE DISTRICT COURT MAY NOT SEAL A COURT RECORD UNDER THIS SUBSECTION IF THE TENANT RECEIVES FEDERAL FUNDS TO SUBSIDIZE RENT REQUIRED UNDER THE LEASE AGREEMENT AND FAILS TO PAY THE NONFEDERAL PORTION OF ANY RENT DUE.

(III) THE DISTRICT COURT SHALL SEAL THE COURT RECORDS UNDER THIS PARAGRAPH WITHIN 30 DAYS AFTER GRANTING THE TENANT'S MOTION TO SEAL.

(IV) SUBJECT TO SUBPARAGRAPH (V) OF THIS PARAGRAPH, A RECORD SEALED UNDER THIS PARAGRAPH MAY BE OPENED ONLY:

1. ON WRITTEN REQUEST BY THE TENANT; OR

2. ON ORDER OF THE DISTRICT COURT ON A SHOWING OF COMPELLING NEED.

(V) A TENANT MAY OBTAIN A COPY OF AN ORDER ISSUED UNDER THIS SUBSECTION AT ANY TIME FROM A CLERK OF THE DISTRICT COURT, ON PROPER IDENTIFICATION, WITHOUT A SHOWING OF NEED.

SECTION 2. AND BE IT FURTHER ENACTED, That:

(a) On or before October 1, 2021, the Maryland Judiciary shall develop and publish on its website a form titled "Petition to Seal an Eviction Record" to facilitate the implementation of § 8-401(g) of the Real Property Article, as enacted by Section 1 of this Act.

(b) The form required under subsection (a) of this section shall include a question on whether the tenant used federal funds to subsidize the tenant's payment of rent owed under the lease agreement.

SECTION 3. AND BE IT FURTHER ENACTED, That Section 1 of this Act shall take effect October 1, 2021.

SECTION ~~2~~ 4. AND BE IT FURTHER ENACTED, That, except as provided in Section 3 of this Act, this Act shall take effect ~~October~~ July 1, 2021.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.