Department of Legislative Services
Maryland General Assembly
2014 Session

FISCAL AND POLICY NOTE
Revised

Senate Bill 800   (Senator Ramirez, *et al.*)

Judicial Proceedings   Environmental Matters

Landlord and Tenant - Retaliatory Actions - Conditions for Relief

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This bill alters the conditions under which relief may be provided to a tenant for specified retaliatory actions taken by a landlord, by repealing the requirement that there not be more than a specified number of judgments against the tenant for rent due and unpaid within a specified period of time before initiation of the action.

Fiscal Summary

State Effect: Any increase in cases brought in the District Court can likely be handled with existing budgeted resources. Revenues are not materially affected.

Local Effect: The bill does not materially affect local government operations or finances.

Small Business Effect: Potential meaningful.

Analysis

Current Law: Generally, a landlord of residential property may not bring or threaten to bring action for possession against a tenant, arbitrarily increase the rent or decrease services to which the tenant is entitled, or terminate a periodic tenancy for any of the following reasons:

- the tenant or the tenant's agent has provided to the landlord or any public agency written or actual notice of a good faith complaint against the landlord about an alleged violation of the lease, violation of law, or condition on the leased premises that is a substantial threat to the health or safety of occupants;

- the tenant or agent has filed a lawsuit against the landlord;
- the tenant or agent has testified or participated in a lawsuit involving the landlord; or
- the tenant has participated in any tenants' organization.

A tenant may raise a retaliatory action of a landlord (1) in defense to an action for possession or (2) as an affirmative claim for damages.

If a judgment in any proceeding is for the tenant because the landlord engaged in a retaliatory action, the court may enter judgment for damages not to exceed the equivalent of three months rent, reasonable attorney fees, and court costs against the landlord. If the court finds that the tenant's assertion of a retaliatory action defense was in bad faith or without substantial justification, the court may enter judgment for damages for the landlord not to exceed the equivalent of three months rent, reasonable attorney fees, and court costs against the tenant.

Relief under these provisions is not available if (1) the tenant is not current on the rent due and owing to the landlord at the time of the alleged retaliatory action unless the tenant withholds the rent for specified reasons and (2) a specified number of judgments have been entered against the tenant for failing to pay rent within a specified period, depending on the obligation to pay rent under the tenancy. An action by a landlord may not be deemed to be retaliatory if the alleged action occurs more than six months after the tenant's protected actions.

Background: According to the U.S. Census Bureau, 33.5% of housing in the State was renter-occupied in 2012. The median monthly rent was $1,170. In fiscal 2013, there were 641,940 landlord/tenant cases filed in District Court.

Small Business Effect: The bill may have a meaningful impact on small property management companies and sole proprietor landlords due to the removal of the condition relating to judgments against the tenant that could have prohibited relief for the tenant.

Additional Information

Prior Introductions: None.

Cross File: HB 1108 (Delegate Frush, *et al.*) - Environmental Matters.

Information Source(s): Baltimore, Charles, Frederick, and Montgomery counties; Office of the Attorney General (Consumer Protection Division); Department of Housing and Community Development; Judiciary (Administrative Office of the Courts); Department of Legislative Services

Fiscal Note History: First Reader - February 26, 2014
ncs/kdm   Revised - Senate Third Reader - March 27, 2014
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