

Department of Legislative Services
Maryland General Assembly
2016 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 1060 (Delegate Morales, *et al.*)
Environment and Transportation

Model Residential Leases - Required Contents

This bill requires a county that provides a model lease for residential rental property to include specified information on security deposits, hazardous conditions, victims of domestic violence or sexual assault, and the eviction process.

Fiscal Summary

State Effect: The bill is not anticipated to have a significant fiscal or operational impact on the District Court. The Office of the Attorney General, Consumer Protection Division, can handle the bill's requirements with existing resources, assuming 50 or fewer new complaints are generated by the bill.

Local Effect: The impact on counties that provide a model lease is expected to be minimal.

Small Business Effect: Minimal.

Analysis

Bill Summary: If a county provides a model lease for residential rental property, the model lease must contain a summary of the eviction process.

Security Deposit: A model lease provided by a county for residential property must include a notice to the tenant that the landlord is required to return the security deposit to the tenant with accrued interest, less any damages, within 45 days after the tenancy ends. The notice must also inform a tenant that, if the landlord fails to return any part of the security deposit, with specified exceptions, the tenant may bring an action for up to three times the withheld amount plus reasonable attorney's fees.

Hazardous Conditions: A model lease provided by a county for residential property must include a notice to the tenant that if the tenant notifies a landlord of a fire hazard or a serious health or safety hazard, and the landlord fails to make repairs or correct the condition within a reasonable period of time, the tenant may (1) bring a rent escrow action to pay rent into court or (2) refuse to pay rent and raise the existence of the condition or defect as an affirmative defense to an action brought by the landlord to recover rent or the possession of the premises. The notice must also inform the tenant that, if the landlord fails to comply with the applicable risk reduction standard for lead paint, the tenant may deposit the rent with the District Court of Maryland for the district in which the property is located.

Victims of Domestic Violence: A model lease provided by a county for residential property must include a notice to the tenant that if the tenant is a victim of domestic violence or sexual assault, the tenant may (1) terminate the tenant's future liability under the lease and vacate the premises within 30 days after giving written notice to the landlord or (2) provide a written request to the landlord to change the locks of the leased premises under specified circumstances.

Current Law:

Security Deposit

Within 45 days after the end of the tenancy, a landlord must return a security deposit to a tenant with specified interest, less any damages rightfully withheld. If the landlord, without a reasonable basis, fails to return any part of the security deposit, plus accrued interest, within 45 days, the tenant may bring an action for up to three times of the withheld amount plus reasonable attorney's fees.

Hazardous Conditions

If, after receiving notice of specified conditions, the landlord refuses to make repairs or correct conditions, or fails to do so within a reasonable time, the tenant may bring an action of rent escrow to pay rent into court because of the asserted defects or conditions. Alternatively, the tenant may refuse to pay rent and, instead, raise the existence of the asserted defects or conditions as an affirmative defense to an action brought by the landlord to recover rent or possession of the premises.

Victims of Domestic Violence

A tenant may avoid future liability under a residential lease by providing a landlord, by first-class mail or hand delivery, with written notice of an intent to vacate and specified documentation of the tenant's or legal occupant's status as a victim of domestic violence or a victim of sexual assault. A landlord is prohibited from bringing an action for

possession of the property against a victim because an act of domestic violence or sexual assault occurred.

A tenant who is a victim of domestic violence or sexual assault may also request that the landlord change locks if a protective order or peace order issued for the benefit of the tenant or legal occupant requires the respondent to refrain from entering or to vacate the residence. The landlord must change the locks by the close of the next business day after receiving a written request. If the landlord does not change the locks within that time period, the tenant may have the locks changed by a certified locksmith and must give a duplicate key to the landlord by the close of the next business day. If the landlord changes the locks, he or she may charge a fee not exceeding the reasonable cost of changing the locks. The landlord is authorized to withhold the fee from the tenant's security deposit, or charge the fee as additional rent, if the tenant fails to pay the fee.

Eviction Process

Filing a Complaint in District Court to Evict a Tenant: When a lease allows a landlord to repossess a property because a tenant breaches the lease, the landlord may file a complaint in the District Court of the county where the property is located if specified requirements are met. Once the tenant breaches the lease, the landlord is generally required to give the tenant 30 days' written notice that the tenant is in violation of the lease and that the landlord wants to repossess the premises. The landlord is only required to give 14 days' written notice of a violation of the lease and that the landlord wants to repossess the premises, if the violation involves dangerous behavior by a tenant or another person on the property with the tenant's consent. The behavior must demonstrate a clear and imminent danger of the tenant or person doing serious harm to themselves, other tenants, the landlord, the landlord's property or representatives, or any other person on the property. Once the notice period expires, the landlord may file the complaint if the tenant or person in actual possession refuses to comply.

Summons to Appear, Notice, and Continuances: Once the complaint is received, the District Court must immediately issue a summons for the tenant or person in actual possession to appear before the court to show why the landlord should not be allowed to repossess the property. If the tenant or person in actual possession cannot be found, the sheriff must attach a copy of the summons to the property. Once notice is also sent by first-class mail, the summons posted on the property is conclusively presumed to be sufficient service to support restitution to the landlord. If either party fails to appear for the hearing, the District Court is authorized to continue the case for between 6 and 10 days, and notices are required to be sent to both parties.

Judgment and Appeal: If the District Court determines that the breach was sufficient to justify an eviction, the District Court must enter a judgment that the landlord is entitled to

repossess the property and issue a warrant to the sheriff demanding the tenant return the property to the landlord in as good a condition as the property was when the lease began. The District Court must enter a judgment that costs are to be paid by the tenant or the person in possession.

Following the judgment, either party may appeal the case to the circuit court within 10 days. If the tenant (1) files an affidavit with the District Court that the appeal is not taken to intentionally delay the eviction; (2) files sufficient bond with one or more securities so that the appeal may move forward quickly; (3) pays all past-due rent and all court costs; and (4) pays all losses or damages that the landlord may suffer because the tenant remains on the property, then the tenant or person in possession of the premises may retain possession until the appeal is complete.

Once either party appeals, the circuit court must set a date for the appeal that is between 5 and 15 days after the application. Notice of the order for the appeal must be served on the other party or that party's counsel at least 5 days before the hearing. If the judgment of the District Court is in favor of the landlord, a warrant must be issued by the circuit court to the sheriff, who must execute the warrant.

Background: Some counties provide sample leases for use by landlords. These can include model leases for single-family homes, apartments or condominiums, or single-room rentals. There is no requirement that counties offer such model leases.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Baltimore City, Kent, Montgomery, and Worcester counties; Office of the Attorney General (Consumer Protection Division); Judiciary (Administrative Office of the Courts); Department of Legislative Services

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