

HOUSE BILL 972

N1

3lr1859

By: **Delegate Henson**

Introduced and read first time: February 10, 2023

Assigned to: Environment and Transportation

A BILL ENTITLED

1 AN ACT concerning

2 **Landlord and Tenant – Rent Escrow – Mold in Residential Dwelling Units**

3 FOR the purpose of adding certain mold hazards to the list of dangerous conditions and
4 defects for which a tenant can obtain relief under the State’s rent escrow statute;
5 and generally relating to rent escrow.

6 BY repealing and reenacting, with amendments,
7 Article – Real Property
8 Section 8–211
9 Annotated Code of Maryland
10 (2015 Replacement Volume and 2022 Supplement)

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

Article – Real Property

13 8–211.

15 (a) **(1)** The purpose of this section is to provide tenants with a mechanism for
16 encouraging the repair of serious and dangerous defects which exist within or as part of
17 any residential dwelling unit, or upon the property used in common of which the dwelling
18 unit forms a part.

19 **(2)** The defects sought to be reached by this section are those which present
20 a substantial and serious threat of danger to the life, health, and safety of the occupants of
21 the dwelling unit, and not those which merely impair the aesthetic value of the premises,
22 or which are, in those locations governed by such codes, housing code violations of a
23 nondangerous nature.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 **(3)** The intent of this section is not to provide a remedy for dangerous
2 conditions in the community at large which exists apart from the leased premises or the
3 property in common of which the leased premises forms a part.

4 (b) It is the public policy of Maryland that meaningful sanctions be imposed upon
5 those who allow dangerous conditions and defects to exist in leased premises, and that an
6 effective mechanism be established for repairing these conditions and halting their
7 creation.

8 (c) **(1)** This section applies to residential dwelling units leased for the purpose
9 of human habitation within the State of Maryland.

10 **(2)** This section does not apply to farm tenancies.

11 (d) This section applies to all applicable dwelling units **REGARDLESS OF** whether
12 they are:

13 (1) [publicly] **PUBLICLY** or privately owned; or

14 (2) [single] **SINGLE** or multiple units.

15 (e) This section provides a remedy and imposes an obligation upon landlords to
16 repair and eliminate conditions and defects which constitute, or if not promptly corrected
17 will constitute, a fire hazard or a serious and substantial threat to the life, health, or safety
18 of occupants, including, but not limited to:

19 (1) Lack of heat, light, electricity, or hot or cold running water, except
20 where the tenant is responsible for the payment of the utilities and the lack thereof is the
21 direct result of the tenant's failure to pay the charges;

22 (2) Lack of adequate sewage disposal facilities;

23 (3) Infestation of rodents in two or more dwelling units;

24 (4) The existence of any structural defect which presents a serious and
25 substantial threat to the physical safety of the occupants; [or]

26 (5) The existence of any condition which presents a health or fire hazard to
27 the dwelling unit; **OR**

28 **(6) THE EXISTENCE OF MOLD IN A DWELLING UNIT WHICH PRESENTS**
29 **A SERIOUS AND SUBSTANTIAL THREAT TO THE HEALTH OF THE OCCUPANTS.**

30 (f) **(1)** This section does not provide a remedy for the landlord's failure to
31 repair and eliminate minor defects or, in those locations governed by such codes, housing
32 code violations of a nondangerous nature.

1 **(2)** There is a rebuttable presumption that the following conditions, when
2 they do not present a serious and substantial threat to the life, health, and safety of the
3 occupants, are not covered by this section:

4 **[(1)] (I)** Any defect which merely reduces the aesthetic value of the leased
5 premises, such as the lack of fresh paint, rugs, carpets, paneling, or other decorative
6 amenities;

7 **[(2)] (II)** Small cracks in the walls, floors, or ceilings;

8 **[(3)] (III)** The absence of linoleum or tile upon the floors, provided that they
9 are otherwise safe and structurally sound; or

10 **[(4)] (IV)** The absence of air conditioning.

11 (g) In order to employ the remedies provided by this section, the tenant shall
12 notify the landlord of the existence of the defects or conditions[. Notice shall be given] by:

13 (1) **[a] A** written communication sent by certified mail listing the asserted
14 conditions or defects[, or];

15 (2) **[actual] ACTUAL** notice of the defects or conditions[.]; or

16 (3) **[a] A** written violation, condemnation, or other notice from an
17 appropriate State, county, municipal, or local government agency stating the asserted
18 conditions or defects.

19 (h) **(1)** The landlord has a reasonable time after receipt of notice in which to
20 make the repairs or correct the conditions.

21 **(2)** The length of time deemed to be reasonable is a question of fact for the
22 court, taking into account the severity of the defects or conditions and the danger which
23 they present to the occupants.

24 **(3)** There is a rebuttable presumption that a period in excess of 30 days
25 from receipt of notice is unreasonable.

26 (i) If the landlord refuses to make the repairs or correct the conditions, or if after
27 a reasonable time the landlord has failed to do so, the tenant may **[bring]:**

28 **(1)** **BRING** an action of rent escrow to pay rent into court because of the
29 asserted defects or conditions[.]; or **[the tenant may refuse]**

30 **(2)** **REFUSE** to pay rent and raise the existence of the asserted defects or

1 conditions as an affirmative defense to an action for distress for rent or to any complaint
2 proceeding brought by the landlord to recover rent or the possession of the leased premises.

3 (j) (1) Whether the issue of rent escrow is raised affirmatively or defensively,
4 the tenant may request one or more of the forms of relief set forth in this section.

5 (2) In addition to any other relief sought, if within 90 days after the court
6 finds that the conditions complained of by the tenant exist the landlord has not made the
7 repairs or corrected the conditions complained of, the tenant may file a petition of injunction
8 in the District Court requesting the court to order the landlord to make the repairs or
9 correct the conditions.

10 (k) Relief under this section is conditioned upon:

11 (1) Giving proper notice, and where appropriate, the opportunity to correct,
12 as described by subsection (h) of this section.

13 (2) Payment by the tenant, into court, of the amount of rent required by
14 the lease, unless this amount is modified by the court as provided in subsection (m) of this
15 section.

16 (3) In the case of tenancies measured by a period of one month or more, the
17 court having not entered against the tenant 3 prior judgments of possession for rent due
18 and unpaid in the 12-month period immediately prior to the initiation of the action by the
19 tenant or by the landlord.

20 (4) In the case of periodic tenancies measured by the weekly payment of
21 rent, the court having not entered against the tenant more than 5 judgments of possession
22 for rent due and unpaid in the 12-month period immediately prior to the initiation of the
23 action by the tenant or by the landlord, or, if the tenant has lived on the premises six
24 months or less, the court having not entered against the tenant 3 judgments of possession
25 for rent due and unpaid.

26 (l) It is a sufficient defense to the allegations of the tenant that the tenant, the
27 tenant's family, agent, employees, or assignees or social guests have caused the asserted
28 defects or conditions, or that the landlord or the landlord's agents were denied reasonable
29 and appropriate entry for the purpose of correcting or repairing the asserted conditions or
30 defects.

31 (m) The court shall make appropriate findings of fact and make any order that the
32 justice of the case may require, including any one or a combination of the following:

33 (1) Order the termination of the lease and return of the leased premises to
34 the landlord, subject to the tenant's right of redemption;

35 (2) Order that the action for rent escrow be dismissed;

1 (3) Order that the amount of rent required by the lease, whether paid into
2 court or to the landlord, be abated and reduced in an amount determined by the court to be
3 fair and equitable to represent the existence of the conditions or defects found by the court
4 to exist; or

5 (4) Order the landlord to make the repairs or correct the conditions
6 complained of by the tenant and found by the court to exist.

7 (n) After rent escrow has been established, the court:

8 (1) Shall, after a hearing, if so ordered by the court or one is requested by
9 the landlord, order that the money in the escrow account be disbursed to the landlord after
10 the necessary repairs have been made;

11 (2) May, after an appropriate hearing, order that some or all money in the
12 escrow account be paid to the landlord or the landlord's agent, the tenant, or the tenant's
13 agent, or any other appropriate person or agency for the purpose of making the necessary
14 repairs of the dangerous conditions or defects;

15 (3) May, after a hearing if one is requested by the landlord, appoint a
16 special administrator who shall cause the repairs to be made, and who shall apply to the
17 court to pay for them out of the money in the escrow account;

18 (4) May, after an appropriate hearing, order that some or all money in the
19 escrow account be disbursed to pay any mortgage or deed of trust on the property in order
20 to stay a foreclosure;

21 (5) May, after a hearing, if one is requested by the tenant, order, if no
22 repairs are made or if no good faith effort to repair is made within six months of the initial
23 decision to place money in the escrow account, that the money in the escrow account be
24 disbursed to the tenant[. Such an], **PROVIDED THAT THE** order [will] **DOES** not discharge
25 the right on the part of the tenant to pay rent into court and an appeal will stay the
26 forfeiture; or

27 (6) May, after an appropriate hearing, order that the money in the escrow
28 account be disbursed to the landlord if the tenant does not regularly pay, into that account,
29 the rent owed.

30 (o) Except as provided in § 8-211.1(e) of this subtitle, in the event any county or
31 Baltimore City is subject to a public local law or has enacted an ordinance or ordinances
32 comparable in subject matter to this section, commonly referred to as a "Rent Escrow Law",
33 any such ordinance or ordinances shall supersede the provisions of this section.

34 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
35 1, 2023.