

Department of Legislative Services
Maryland General Assembly
2023 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 972 (Delegate Henson)
Environment and Transportation

Landlord and Tenant - Rent Escrow - Mold in Residential Dwelling Units

This bill adds the existence of mold in a dwelling unit which presents a serious and substantial threat to the health of the occupants to the list of dangerous conditions and defects for which a tenant can obtain relief under § 8-211 of the Real Property Article. **The bill takes effect July 1, 2023.**

Fiscal Summary

State Effect: The bill is not anticipated to materially affect State operations or finances.

Local Effect: The bill is not anticipated to materially affect local government operations or finances.

Small Business Effect: Potential meaningful.

Analysis

Current Law: Statutory provisions under current law provide tenants with a mechanism for encouraging the repair of serious and dangerous defects that exist within or as part of any residential dwelling unit, or upon common property, as specified. The defects are those in which a substantial and serious threat of danger to the life, health, and safety of the occupants is present. Statute provides a remedy and imposes an obligation upon landlords to repair and eliminate the serious and dangerous conditions and defects.

In order to use specified remedies available when serious and dangerous defects are present in residential dwelling units, a tenant must notify the landlord of the existence of the defects or conditions using specified methods. If the landlord refuses to make the repairs or correct

the conditions, or if after a reasonable time the landlord has failed to do so, the tenant may (1) bring an action of rent escrow to pay rent into court because of the asserted defects or conditions or (2) refuse to pay rent and raise the existence of the asserted defects or conditions as an affirmative defense to an action for distress for rent or to any complaint proceeding brought by the landlord to recover rent or the possession of the leased premises.

After rent escrow has been established, the court must, after a hearing (if ordered by the court or requested by the landlord), order that the money in the escrow account be disbursed to the landlord after the necessary repairs have been made. Other permissible actions by the court, including ordering that some or all of the money in the escrow account be paid to the landlord or the tenant for the purpose of making the necessary repairs, are also specified in statute.

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

Small Business Effect: Small business landlords are subject to specified remedies if the presence of certain mold hazards within dwelling units is not cured.

Additional Information

Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: None.

Information Source(s): Caroline and Prince George's counties; Judiciary (Administrative Office of the Courts); Department of Legislative Services

Fiscal Note History: First Reader - February 26, 2023
km/jkb

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