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By: Delegate Stewart Delegates Stewart, Addison, Allen, Boyce, Foley, Healey, Lehman, J. Long, Love, Ruth, and Terrasa

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Committee Report: Favorable with amendments House action: Adopted Read second time: March 7, 2024

CHAPTER _____

1 AN ACT concerning

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Landlord and Tenant – Failure to Repair Serious and Dangerous Defects – Tenant Remedies (Tenant Safety Act of 2024)

 $\mathbf{5}$ FOR the purpose of establishing that a landlord that offers a dwelling for rent is deemed to 6 warrant the dwelling fit for human habitation; elarifying that certain mold hazards 7constitute dangerous conditions and defects for which a tenant may obtain relief; 8 authorizing multiple tenants to join as plaintiffs in the same civil action against a 9 landlord and authorizing a court to issue an order for separate trials or any other 10 orders necessary to prevent delay or avoid prejudice; establishing that, prior to a 11 certain court order, there is a rebuttable presumption that a tenant is entitled to 12have a court adjudicate a request for rent abatement; establishing a rebuttable 13 presumption related to the abatement of prospective rent and the requirements for 14 rent escrow; establishing a rebuttable presumption that limits rent escrow payments 15to rent that is due and unpaid subsequent to a court order; authorizing the award of 16attorney's fees, costs, and expenses related to litigation and a tenant who prevails in 17certain actions; establishing that certain local laws preempt certain provisions of this 18 Act; authorizing certain remedies for a tenant if a landlord breaches the warranty of 19 habitability; providing that a landlord may raise certain defenses in a civil action 20related to the breach of the warranty of habitability; providing that a court may order 21certain relief in civil actions related to the breach of the warranty of habitability, 22including actual damages, abatement of rent due and unpaid, and the termination 23of a lease; and generally relating to remedies for a landlord's failure to repair serious and dangerous defects. 24

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.



- 1 BY repealing and reenacting, with amendments,
- 2 Article Real Property
- 3 Section 8–211
- 4 Annotated Code of Maryland
- 5 (2023 Replacement Volume)

6 BY adding to

- 7 Article Real Property
- 8 Section 8–212
- 9 Annotated Code of Maryland
- 10 (2023 Replacement Volume)

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

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Article – Real Property

14 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] ON property used in common of which the 18 dwelling 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.

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

(b) It is the public policy of [Maryland] THE STATE that meaningful sanctions be imposed [upon those who allow] ON A LANDLORD THAT ALLOWS dangerous conditions and defects to exist in leased premises, and that an effective mechanism be established for repairing these conditions and halting their creation.

31 (c) (1) [This] EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS 32 SUBSECTION, THIS section applies to ALL residential dwelling units leased for the purpose 33 of human habitation within the State [of Maryland. This section does not apply to farm 34 tenancies.

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1 This section applies to all applicable dwelling units] whether they are [(1) (d) $\mathbf{2}$ publicly]: **PUBLICLY** or privately owned; or [(2) single] 3 **(I)** 4 **(II)** SINGLE or multiple units. $\mathbf{5}$ (2) THIS SECTION DOES NOT APPLY TO FARM TENANCIES. 6 [(e)] **(D)** This section provides a remedy and imposes an obligation upon ON 7 landlords A LANDLORD THAT OFFERS A RESIDENTIAL DWELLING UNIT FOR RENT. WHETHER BY WRITTEN OR ORAL LEASE OR AGREEMENT, SHALL BE DEEMED TO 8 9 WARRANT THAT THE RESIDENTIAL DWELLING UNIT IS FIT FOR HUMAN HABITATION AND THAT THE LANDLORD IS OBLIGATED to repair and eliminate conditions and defects 10 which constitute, or if not promptly corrected will constitute, a fire hazard or a serious and 11 12substantial threat to the life, health, or safety of occupants, including[, but not limited to]: 13 Lack of heat, light, electricity, or hot or cold running water, except (1)14where the tenant is responsible for the payment of the utilities and the lack thereof is the direct result of the tenant's failure to pay the charges; 1516 (2)Lack of adequate sewage disposal facilities; 17Infestation of rodents in two or more dwelling units; (3)18 (4) The existence of any structural defect which presents a serious and substantial threat to the physical safety of the occupants; for 19 20(5)The existence of any condition which presents a health or fire hazard to 21the dwelling unit; OR 22(6) THE EXISTENCE OF MOLD IN A DWELLING UNIT THAT PRESENTS A 23SERIOUS AND SUBSTANTIAL THREAT TO THE HEALTH OF THE OCCUPANTS. This section does not [provide a remedy for the] APPLY TO A 24[(f)] (E) (1) 25landlord's failure to repair and eliminate minor defects or, in those locations governed by 26such codes, housing code violations of a nondangerous nature. 27(2) There is a rebuttable presumption that the following conditions, when 28they do not present a serious and substantial threat to the life, health, and safety of the 29occupants, are not covered by this section: 30 Any defect which merely reduces the aesthetic value of the leased [(1)] (I) 31 premises, such as the lack of fresh paint, rugs, carpets, paneling, or other decorative

32 amenities;

1	[(2)] (II) Small cracks in the walls, floors, or ceilings;
$\frac{2}{3}$	[(3)] (III) The absence of linoleum or tile [upon] ON the floors, provided that they are otherwise safe and structurally sound; or
4	[(4)] (IV) The absence of air conditioning.
$5\\6$	[(g)](F) (1) In order to employ the remedies provided by this section, the tenant shall notify the landlord of the existence of the defects or conditions.
7	(2) Notice shall be given by [(1) a]:
8 9	(I) A written communication sent by certified mail listing the asserted conditions or defects [, or (2) actual];
10	(II) ACTUAL notice of the defects or conditions[,]; or [(3) a]
11 12 13	(III) A written violation, condemnation or other notice from an appropriate State, county, municipal, or local government agency stating the asserted conditions or defects.
$\begin{array}{c} 14 \\ 15 \end{array}$	[(h)] (G) (1) The landlord has a reasonable time after receipt of notice in which to make the repairs or correct the conditions.
$16 \\ 17 \\ 18$	(2) The length of time deemed to be reasonable is a question of fact for the court, taking into account the severity of the defects or conditions and the danger which they present to the occupants.
19 20	(3) There is a rebuttable presumption that a period in excess of 30 days from receipt of notice is unreasonable.
21 22 23	[(i)] (H) (1) 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 [bring] TAKE ONE OR BOTH OF THE FOLLOWING ACTIONS:
$\begin{array}{c} 24 \\ 25 \end{array}$	(I) BRING an action of rent escrow to pay rent into court because of the asserted defects or conditions[, or the tenant may refuse]; AND
26 27 28 29	(II) REFUSE to pay rent and raise the existence of the asserted defects or conditions as an affirmative defense, IN ADDITION TO ANY OTHER 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

29 recover rent or the possession of the leased premises.

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1 (2) **(I) MULTIPLE TENANTS MAY JOIN AS PLAINTIFFS IN AN ACTION** $\mathbf{2}$ UNDER THIS SECTION IN ACCORDANCE WITH THE MARYLAND RULES ON JOINDER. 3 **(II)** THE COURT MAY ORDER SEPARATE TRIALS OR ISSUE ANY 4 OTHER ORDER NECESSARY TO PREVENT DELAY OR AVOID PREJUDICE. $\mathbf{5}$ **(I)** (1) **THERE IS A REBUTTABLE PRESUMPTION THAT** 6 **A** A TENANT IS ENTITLED TO THE ADJUDICATION OF A REQUEST (1) 7 FOR RENT ABATEMENT#. 8 (2) **(I)** SUBJECT TO SUBPARAGRAPH (II) OF THIS PARAGRAPH AND 9 SUBSECTION (M) OF THIS SECTION, THERE IS A REBUTTABLE PRESUMPTION THAT A 10 **TENANT:** 1. 11 IS ENTITLED TO AN ABATEMENT OF PROSPECTIVE 12**RENT; AND** 132. MAY NOT BE REQUIRED TO PAY INTO ESCROW MORE 14THAN 50% OF THE AMOUNT OF RENT REQUIRED BY THE LEASE. 15**(II)** A DETERMINATION UNDER THIS PARAGRAPH IS WITHOUT 16 PREJUDICE TO A FINAL DISPOSITION OF RENT THAT IS DUE AND UNPAID TO THE 17LANDLORD. 18(3) THERE IS A REBUTTABLE PRESUMPTION THAT A COURT ORDER 19 **REQUIRING RENT ESCROW IS LIMITED TO THE PAYMENT OF RENT THAT IS DUE AND** 20UNPAID SUBSEQUENT TO THE COURT ORDER. 21(4) A PARTY MAY REQUEST THAT THE COURT ADJUST THE AMOUNT 22OF RENT THAT A TENANT PAYS INTO COURT AT ANY TIME. 23(5) IF A TENANT ALLEGES THAT A DEFECT OR CONDITION EXISTS AT 24THE LEASED PREMISES AT A TRIAL FOR FAILURE TO PAY RENT, THE COURT MAY 25GRANT A POSTPONEMENT ON REQUEST OF EITHER PARTY IN ORDER FOR THE PARTIES TO PROVIDE EVIDENCE AND ADDITIONAL INFORMATION REGARDING THE 2627**ALLEGED DEFECT OR CONDITION.** 28Whether the issue of rent escrow is raised affirmatively or defensively, (j) (1)29the tenant may request one or more of the forms of relief set forth in this section. 30 (2)In addition to any other relief sought, if within 90 days after the court 31 finds that the conditions complained of by the tenant exist AND the landlord has not made

32 the repairs or corrected the conditions complained of, the tenant may file a petition of

1 injunction in the District Court requesting the court to order the landlord to make the 2 repairs or correct the conditions.

3 (k) Relief under this section is conditioned on:

4 (1) Giving proper notice, and where appropriate, the opportunity to correct, 5 as described [by] IN subsection [(h)] (G) of this section;

6 (2) Payment by the tenant [, into court,] of the amount of rent required by 7 the lease INTO THE COURT, unless this amount is modified by the court as provided in 8 subsection (I) OR (m) of this section;

9 (3) In the case of tenancies measured by a period of [one] 1 month or more, 10 the court having not entered against the tenant three prior judgments of possession for rent 11 due and unpaid in the 12–month period immediately prior to the initiation of the action by 12 the tenant or by the landlord; and

13 (4) In the case of periodic tenancies measured by the weekly payment of 14 rent, the court having not entered against the tenant more than five judgments of 15 possession for rent due and unpaid in the 12-month period immediately prior to the 16 initiation of the action by the tenant or by the landlord, or, if the tenant has lived on the 17 premises [six] 6 months or less, the court having not entered against the tenant three 18 judgments of possession for rent due and unpaid.

19 (l) It is a sufficient defense to the allegations of the tenant that the tenant, the 20 tenant's family, agent, employees, or assignees or social guests have caused the asserted 21 defects or conditions, or that the landlord or the landlord's agents were denied reasonable 22 and appropriate entry for the purpose of correcting or repairing the asserted conditions or 23 defects.

24 (m) The court shall make appropriate findings of fact and make any order that the 25 justice of the case may require, including any one or a combination of the following:

26 (1) Order the termination of the lease and return of the leased premises to 27 the landlord, subject to the tenant's right of redemption;

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

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

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

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- (n) (1) After rent escrow has been established, the court:

2 [(1)] (I) Shall, after a hearing, if so ordered by the court or one is 3 requested by the landlord, order that the money in the escrow account be disbursed to the 4 landlord after the necessary repairs have been made;

5 [(2)] (II) May, after an appropriate hearing, order that some or all money 6 in the escrow account be paid to the landlord or the landlord's agent, the tenant or the 7 tenant's agent, or any other appropriate person or agency for the purpose of making the 8 necessary repairs of the dangerous conditions or defects;

9 [(3)] (III) May, after a hearing if one is requested by the landlord, appoint 10 a special administrator who shall cause the repairs to be made, and who shall apply to the 11 court to pay for them out of the money in the escrow account;

12 [(4)] (IV) May, after an appropriate hearing, order that some or all money 13 in the escrow account be disbursed to pay any mortgage or deed of trust on the property in 14 order to stay a foreclosure;

15 [(5)] (V) May, after a hearing, if one is requested by the tenant, order, if 16 no repairs are made or if no good faith effort to repair is made within [six] 6 months of the 17 initial decision to place money in the escrow account, that the money in the escrow account 18 be disbursed to the tenant THAT HAVE PAID INTO ESCROW[. Such an order will not 19 discharge the right on the part of the tenant to pay rent into court and an appeal will stay 20 the forfeiture]; or

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

24 (2) AN ORDER ISSUED UNDER PARAGRAPH (1)(V) OF THIS 25 SUBSECTION:

26(I)DOES NOT AFFECT THE RIGHT OF A TENANT TO PAY RENT27INTO COURT; AND

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- (II) MAY BE STAYED ON APPEAL BY THE LANDLORD.

29 (O) IF A COURT ORDERS ANY RELIEF TO A TENANT UNDER THIS SECTION, 30 THE TENANT MAY RECOVER:

31 (1) REASONABLE ATTORNEY'S FEES AND COSTS; AND

32 (2) REASONABLE EXPENSES RELATED TO LITIGATION, SUCH AS 33 EXPENSES FOR A MOLD ASSESSMENT AT THE RESIDENCE OF THE TENANT. 1 [(o)] (P) Except as provided in \S 8–211.1(e) of this subtitle, [in the event any $\mathbf{2}$ county or Baltimore City is subject to a public local law or has enacted an ordinance or 3 ordinances comparable in subject matter to this section, commonly referred to as a "Rent 4 Escrow Law", any such ordinance or ordinances shall supersede the provisions of this section] THIS SECTION SHALL SUPERSEDE ANY LOCAL LAW OR ORDINANCE $\mathbf{5}$ 6 COMPARABLE IN SUBJECT MATTER TO THIS SECTION EXCEPT TO THE EXTENT THAT 7 THE LOCAL LAW OR ORDINANCE PROVIDES BROADER APPLICABILITY OR MORE 8 PROTECTIONS FOR TENANTS THAN THIS SECTION.

9 **8–212.**

10 (A) IN THIS SECTION, "WARRANTY OF HABITABILITY" MEANS THE 11 WARRANTY BY A LANDLORD DESCRIBED UNDER § 8–211 OF THIS SUBTITLE.

12 (A) IN THIS SECTION, "FIT FOR HUMAN HABITATION" MEANS THAT A 13 DWELLING UNIT AND PROPERTY OF WHICH THE DWELLING UNIT IS A PART ARE FREE 14 FROM SERIOUS DEFECTS OR CONDITIONS THAT CONSTITUTE, OR WILL CONSTITUTE 15 IF NOT PROMPTLY CORRECTED, A FIRE HAZARD OR OTHER SERIOUS AND 16 SUBSTANTIAL THREAT TO THE LIFE, HEALTH, OR SAFETY OF OCCUPANTS OF THE 17 DWELLING UNIT.

18 **(B)** This section applies to landlords, tenants, and residential 19 DWELLING UNITS THAT ARE SUBJECT TO § 8–211 OF THIS SUBTITLE.

20 (C) <u>A LANDLORD THAT OFFERS A RESIDENTIAL DWELLING UNIT FOR RENT,</u>
 21 <u>WHETHER BY WRITTEN OR ORAL LEASE AGREEMENT, SHALL BE DEEMED TO</u>
 22 <u>WARRANT THAT THE DWELLING UNIT IS FIT FOR HUMAN HABITATION.</u>

23(D)THE WARRANTY OF HABITABILITY UNDER THIS SECTION EXISTS AT THE24BEGINNING OF THE TENANCY AND CONTINUES THROUGHOUT THE TERM OF THE25TENANCY.

26 (E) RELIEF FOR BREACH OF THE WARRANTY OF HABITABILITY UNDER THIS 27 SECTION MAY NOT BE CONDITIONED ON PAYMENT BY THE TENANT OF RENT INTO 28 ESCROW WITH THE COURT.

29(D)(1)In-order to employ the remedies provided by this30SECTION, A TENANT SHALL NOTIFY THE LANDLORD OF THE EXISTENCE OF THE31DEFECTS OR CONDITIONS IN ACCORDANCE WITH § 8–211 OF THIS SUBTITLE.

32(F)(1)(I)IN ORDER TO EMPLOY THE REMEDIES PROVIDED BY THIS33SECTION, THE TENANT SHALL NOTIFY THE LANDLORD OF THE EXISTENCE OF34DEFECTS OR CONDITIONS.

1	(II) NOTICE SHALL BE GIVEN BY:
$2 \\ 3$	<u>1.</u> <u>A WRITTEN COMMUNICATION SENT BY CERTIFIED</u> MAIL LISTING THE ASSERTED DEFECTS OR CONDITIONS;
4 5	<u>2.</u> <u>ACTUAL NOTICE OF THE DEFECTS OR CONDITIONS;</u>
6 7 8	<u>3.</u> <u>A WRITTEN VIOLATION, CONDEMNATION, OR OTHER</u> <u>NOTICE FROM AN APPROPRIATE STATE, COUNTY, MUNICIPAL, OR LOCAL</u> <u>GOVERNMENT AGENCY STATING THE ASSERTED DEFECTS OR CONDITIONS.</u>
9 10 11 12	(2) WITHIN A REASONABLE PERIOD OF TIME AFTER RECEIPT OF NOTICE UNDER PARAGRAPH (1) OF THIS SUBSECTION, THE LANDLORD SHALL MAKE THE REPAIRS OR CORRECT THE CONDITIONS IN ACCORDANCE WITH § 8–211(G) OF THIS SUBTITLE.
$13 \\ 14 \\ 15 \\ 16$	(E) (G) (1) IF A LANDLORD BREACHES THE WARRANTY OF HABITABILITY UNDER § 8–211 OF THIS SUBTITLE THIS SECTION AND 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:
$17\\18$	(I) BRING AN ACTION FOR DAMAGES AND THE ABATEMENT OF RENT AGAINST THE LANDLORD; AND
19 20 21 22	(II) REFUSE TO PAY RENT AND RAISE THE EXISTENCE OF THE ASSERTED DEFECTS OR CONDITIONS AS AN AFFIRMATIVE DEFENSE TO AN ACTION OF DISTRESS FOR RENT OR TO ANY OTHER ACTION BROUGHT BY THE LANDLORD TO RECOVER RENT OR THE POSSESSION OF THE LEASED PREMISES.
$23 \\ 24 \\ 25$	(2) MULTIPLE TENANTS MAY JOIN AS PLAINTIFFS IN AN ACTION UNDER THIS SUBSECTION IN ACCORDANCE WITH THE MARYLAND RULES ON JOINDER.
$26 \\ 27$	(3) THE REMEDIES UNDER THIS SUBSECTION ARE IN ADDITION TO ANY OTHER REMEDIES PROVIDED BY LAW.
28	(F) (H) IT IS A DEFENSE TO A CLAIM UNDER THIS SECTION THAT:
29 30 31	(1) THE TENANT, THE TENANT'S FAMILY, AGENT, EMPLOYEES, ASSIGNEES, OR SOCIAL GUESTS CAUSED THE ASSERTED DEFECTS OR CONDITIONS; OR

1 (2) THE LANDLORD OR THE LANDLORD'S AGENTS WERE DENIED 2 REASONABLE AND APPROPRIATE ENTRY FOR THE PURPOSE OF CORRECTING OR 3 REPAIRING THE ASSERTED CONDITIONS OR DEFECTS.

4 (G) (I) THE COURT SHALL MAKE APPROPRIATE FINDINGS OF FACT AND 5 ISSUE ANY ORDER THAT THE JUSTICE OF THE CASE MAY REQUIRE, INCLUDING 6 ORDERING ANY OF THE FOLLOWING:

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AN AWARD OF ACTUAL DAMAGES;

8 (2) AN ABATEMENT OF RENT DUE AND UNPAID; OR

(1)

9 (3) THE TERMINATION OF THE LEASE, RETURN OF ANY UNUSED 10 PORTION OF A SECURITY DEPOSIT TO THE TENANT, AND RELOCATION EXPENSES 11 FOR A TENANT.

12 (H) (J) IF A COURT ORDERS ANY RELIEF TO A TENANT UNDER THIS 13 SECTION, THE TENANT MAY RECOVER REASONABLE:

14 (1) ATTORNEY'S FEES AND COSTS; AND

15(2) EXPENSES RELATED TO LITIGATION, SUCH AS EXPENSES FOR A16MOLD ASSESSMENT AT THE RESIDENCE OF THE TENANT.

17 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect 18 October 1, 2024.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.