



## **HB 86 - Landlord and Tenant - Residential Leases - Tenant Rights and Protections (Tenant Protection Act of 2022)**

**January 18, 2022**

### **SUPPORT**

Chair Barve, Vice-Chair, and members of the committee, thank you for the opportunity to provide testimony in support of House Bill 86. This bill provides Maryland renters four long-needed, meaningful reforms that help balance landlord-tenant relations. This bill passed the House in 2021 and reflects amendments and compromises achieved in the 2020 session. The CASH Campaign of Maryland supports the Tenant Protection Act as reintroduced.

The CASH Campaign of Maryland promotes economic advancement for low-to-moderate income individuals and families in Baltimore and across Maryland. CASH accomplishes its mission through operating a portfolio of direct service programs, building organizational and field capacity, and leading policy and advocacy initiatives to strengthen family economic stability. CASH and its partners across the state achieve this by providing free tax preparation services through the IRS program 'VITA', offering free financial education and coaching, and engaging in policy research and advocacy. **Almost 4,000 of CASH's tax preparation clients earn less than \$10,000 annually. More than half earn less than \$20,000.**

### **HB 86 adds documentation of security deposit deductions.**

In Maryland, release of a tenant's security deposit can be delayed up to 45 days after the tenant moves out of the property. Particularly for lower-income renters in Maryland, this delay imposes economic hardship that can destabilize the renter's new tenancy. This hardship is worsened when renters finally receive their security deposit back and find that the landlord deducted fees or charges unreasonably. Current law requires landlords only to itemize the amounts withheld from the released security deposit. HB 86 creates an additional obligation by which landlords would provide documentation for those withheld amounts. For instance, if a landlord were to withhold hundreds of dollars for carpet cleaning after the renter moved out, HB 86 would require that the landlord, as practicable, provide their former tenant an invoice or other documentation that substantiates the itemized carpet-cleaning cost. Renters rely on the return of their security deposit and deserve to know, with the added certainty of documentation, why their former landlord deducted from the full deposit amount.

### **HB 86 expands grounds for early lease termination to include victims of stalking.**

Currently, Maryland law limits the costs faced by a tenant who seeks early lease termination on grounds that they are a victim of domestic violence or sexual assault. HB 86 adds stalking, as defined in the Criminal Law Article, as a third basis. This bill also addresses the difficult documentation standard in the current law, which requires the tenant to provide notice of intent to vacate to the landlord plus evidence of a peace order/protective order to substantiate their status as a victim. Because for many renters in these circumstances the peace order or protective order may be unattainable, HB 86 expands the documentation standard to include a report by a "qualified third party" (physician, psychologist, social worker) that supports the renter's assertion of domestic violence, sexual assault, or stalking. Additionally, HB 86 specifies that a tenant in one of these emergency circumstances is responsible for payment of rent only for the period between their delivery of notice to the landlord and the date on which they vacate, up to a maximum of 30 days.

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**HB 86 allows renters access to utility information at master-meter buildings.**

HB 86 also sets forth new transparency provisions to help renters in Ratio Utility Billing System properties understand their energy and water charges. These properties are typically multi-family buildings on a master meter serviced by the local utility company. The owner then contracts with a third party to allocate utility charges to each unit in the building. Under current law (outside Montgomery County and Baltimore City), tenants have no statutory rights to access the allocation calculations or to see the underlying billing and consumption data for the building. HB 86 addresses this information gap. This bill requires that tenants have written notice explaining exactly which utilities they will be expected to pay and the exact method or formula for how these costs will be allocated. In addition, the bill requires landlords to provide tenants with the average monthly cost for each utility in the prior calendar year. Importantly, too, HB 86 provides incumbent tenants the right to request information that would verify the accuracy of allocated utility bills – including past bills. All of these components of HB 86 offer tenants the opportunity to understand fluctuating utility charges over time and to dispute excessive or confusing utility costs.

**HB 86 gives tenant organizations the right of assembly in their buildings.**

Except in Montgomery County, tenant organizations can be intimidated or effectively shut down when their landlords prohibit their use of common areas. HB 86 defines “tenant organization” and sets forth a right of tenant organizations to assemble freely in a meeting room in certain multi-family properties.

**The CASH Campaign of Maryland is a member of the Renters United Maryland coalition and asks that the Committee issue a favorable report on HB 86.**