HB 1117 - Landlord and Tenant – Failure to Repair Serious and Dangerous Defects - Tenant Remedies (Tenant Safety Act)

Hearing of the House Environment & Transportation Committee, Feb. 27, 2024

Position: SUPPORT (FAV)

I, Michael Lent of Maryland District 8, support HB 1117, the Tenant Safety Act, to help tenants hold landlords accountable for refusing to fix severe conditions of disrepair that threaten their life, health, or safety.

When an apartment in a multi-story building floods, whether from sprinklers or a pipe break, it affects multiple families. When pests infest a garden style apartment that is rarely limited to one unit. If the heat or air conditioning is broken or purposely turned off in a communal area like a lounge, this affects all residents who want to come together with their neighbors. Many issues effect multiple units and often the whole community, I believe we should make it easier for tenants to file together to seek repairs and remediation.

In Maryland today there are many more renting families suffering with uninhabitable living conditions than the number who file a court complaint seeking "rent escrow" – where the rent is placed into escrow with the court until repairs are made. Some tenants do not file a rent escrow complaint by themselves out of fear of landlord retaliation or because they have no legal counsel to guide them through the process. Some do not have all the rent that the landlord claims to be past-due. Others have no confidence that the court will provide them any relief or require the landlords to make repairs.

Tenants are not wrong in these assessments. A <u>2016 investigative report by the Baltimore Sun found</u> that the rent escrow system is broken: Even when renting families do overcome the initial obstacles to filing for rent escrow, the Court reduces the rent and provides immediate relief to renters in only 6% of cases.

As a result, Maryland is on pace to see only 1,959 "rent escrow" complaints filed by tenants against landlords in 2023, yet there are over 66,500 severely or moderately inadequate rental housing units In Maryland. Many landlords are not being held accountable for repairing major conditions of disrepair that impact not only renting families but entire communities that suffer from the resulting blight.

The Tenant Safety Act will do 5 things to make rent escrow work and hold landlords accountable:

- 1. **Join Similar Rent Escrow Cases Together.** Make it easier for tenants with the same repair issues and same landlord to join in a single rent escrow case under the Court's existing rules on "joinder." There is strength in numbers when neighbors can work together to hold their landlord accountable.
- 2. **Reset Expectations**. If a landlord refuses to make repairs, then normally a tenant should pay into escrow a reduced rent (by 50% in most cases) going forward until repairs are made. This will help tenants who do not have the full amount that the landlord claims is past-due to still hold the landlord accountable. This will also incentivize landlords to quickly make repairs to avoid losing rent. At the end of the case, the Court will decide how much is due to each party.

- 3. **Warranty of Habitability**. For claims of past-due rent, clarify that tenants should *not* have to pay the *full* amount of rent if the landlord refused to make repairs by codifying the "warranty of habitability" that already exists in Maryland law.
- 4. **Mold**. Clarify that when a tenant can show that mold is a severe threat to life, health, or safety, the tenant should be able to file for rent escrow.
- 5. **Level the Playing Field with Attorney's Fees.** Allow a tenant to recover attorney's fees and costs if they win the case. Most landlords already have a lease provision for attorney's fees if they win. With this addition to rent escrow law, more attorneys will take rent escrow cases for tenants and help level the playing field.

I, Michael Lent, ask that the Committee issue a report of FAVORABLE on HB 1117.

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