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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)

Santoni, Vocci & Ortega, LLC is a private tenants' rights firm, representing tenants living in uninhabitable conditions, or have been the subject of an illegal eviction or debt collection violations.

We 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.

Our firm has represented hundreds of clients against their landlords for failing to fix uninhabitable conditions. Being able to join together in rent escrow is particularly important for many of these issues, which are often building-wide in multi-family dwellings like apartment buildings. Rodents, roaches, and bed bugs can easily travel between units. Lack of heat and hot water can also be a building-wide issue.

A lease is a two-way street. A tenant should not have to pay their entire rent into escrow if the landlord is not holding up his/her end of the deal and providing habitable and safe housing.

In addition, mold is a serious issue, particularly for children. We have seen children with asthma who cannot breathe in their homes due to mold. Parents of these children will often send them to live with relatives because the conditions are so bad.

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 of the rent that the landlord claims is 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 [2016 investigative report by the Baltimore Sun found 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.

Santoni, Vocci & Ortega, LLC is a member of the Renters United Maryland coalition and asks that the Committee **issue a report of FAVORABLE on HB 1117**. If you have any questions, please contact: Chelsea Ortega, cortega@svolaw.com.