

February 23, 2024

The Honorable Marc Korman
Chairman, House Environment & Transportation Committee
Room 251, House Office Building
Annapolis, Maryland 21401

RE: MBIA Letter of Opposition HB 1117 Landlord and Tenant – Failure to Repair Serious and Dangerous Defects – Tenant Remedies (Tenant Safety Act of 2024).

Dear Chairman Korman,

The Maryland Building Industry Association, representing 100,000 employees statewide, appreciates the opportunity to participate in the discussion surrounding **HB 1117 Landlord and Tenant – Failure to Repair Serious and Dangerous Defects – Tenant Remedies (Tenant Safety Act of 2024)**.

This bill proposes significant changes to Maryland's rent escrow procedures, aiming to broaden tenants' rights and streamline multi-plaintiff litigation. MBIA opposes this measure.

Maryland's rent escrow statute was originally designed to prompt landlords to address serious defects in a timely manner. The current statute outlines specific requirements for tenants, such as notice to the landlord if there is a defect, escrowing rent during repairs, and court-mediated remedies based on the situation. While the bill maintains the tenant's ability to pay rent into escrow during repairs, it expands the tenant's ability to withhold rent for reasons unrelated to property defects. This will put a costly burden on landlords. Additionally, the creation of an entirely new multiple plaintiff cause of action under the rent escrow statute is complicated and threatens the swift procedure for resolving defects that the legislature originally put in place. MBIA also urges the Committee to wait until the Workgroup on Mold Standards concludes its work before adding mold hazards to rent escrow.

For these reasons, MBIA respectfully urges the Committee to give this measure **an unfavorable** report. Thank you for your consideration.

For more information about this position, please contact Lori Graf at 410-800-7327 or lgraf@marylandbuilders.org.

cc: Members of the House Environment & Transportation Committee