

Tenants Should Be Able To Hold Negligent Landlords Accountable

Position Statement Supporting House Bill 1117

Given before the House Environment and Transportation Committee

All Marylanders deserve safe, healthy housing, and addressing the state's affordable housing challenges is critical to our state's future economic success. Unfortunately, low-income renters who have few options of where they can afford to live often face unsafe and unhealthy living conditions and unscrupulous landlords who refuse to make repairs. **The Maryland Center on Economic Policy supports House Bill 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.

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. 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.ⁱ

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 five 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.

All Marylanders deserve a safe, stable, and affordable place to live. However, too often low- and moderate-income renters face challenges in getting landlords to make needed repairs to their homes. HB 1117 would address several obstacles tenants face when filing escrow while living in uninhabitable conditions. It would discourage landlord negligence and give tenants organizational power and proper avenues to seek remedies. For these reasons, **the Maryland Center on Economic Policy respectfully requests the House Environment and Transportation Committee to make a favorable report on House Bill 1117.**

Equity Impact Analysis: House Bill 1117

Bill Summary

HB 1117, the Tenant Safety Act, would help tenants hold landlords accountable for refusing to fix severe conditions of disrepair that threaten their life, health, or safety.

Background

HB 1117 seeks to support tenants facing dangerous conditions in accessing rent escrow. Currently, more tenants live in uninhabitable living conditions than file for rent escrow. The process of access rent escrow can be costly, time consuming, and intimidating as they must make time to file and appear before landlords and judges.

- Currently, it is difficult for a group of tenants to bring an action against a landlord together. Each tenant in the same building with the same landlord is generally required to file individual actions, with each tenant paying a filing fee, drafting a separate complaint and appearing in court. HB 1117 would explicitly provide a mechanism for tenants to raise related issues and conditions in a single, streamlined case in court, and provide tenants with better access to justice. a single tenant can file a rent escrow case about building and unit conditions that other tenants with the same landlord on the same property could join. This reflects current procedures in areas like New York City where tenants enjoy better protections.
- Tenants face a massive power imbalance when seeking necessary repairs from their landlords. In response to an individual escrow filing, landlords can refuse to act or refuse to extend a tenant's lease. Landlords can also easily harass individual tenants, file an eviction, or unilaterally lock the tenant out, despite it

Equity Implications

HB 1117 strengthens the remedies available to low-income tenants by allowing them to pursue damages for landlord negligence regarding repairs and living conditions. Black Marylanders are more likely to face unaffordable housing costs than their white neighbors.

Impact

HB 1117 will likely **improve racial, health and economic equity** in Maryland.

ⁱ The Baltimore Sun <https://www.baltimoresun.com/2017/04/28/dismissed-tenants-lose-landlords-win-in-baltimores-rent-court/>