
By: **Delegate Owings**
Introduced and read first time: February 18, 2004
Assigned to: Rules and Executive Nominations

A BILL ENTITLED

1 AN ACT concerning

2 **Landlord and Tenant - Rent Escrow Accounts**

3 FOR the purpose of requiring a tenant to notify a landlord of the existence of certain
4 defects or conditions of leased premises in a certain manner; authorizing a
5 tenant, if a landlord fails to comply with a certain registration requirement or
6 risk reduction standard relating to lead risk in housing and notwithstanding
7 any provision of law or any agreement, to bring an action of rent escrow to pay
8 rent into court or to refuse to pay rent and raise a certain affirmative defense to
9 an action for distress for rent or any complaint proceeding brought by the
10 landlord to recover rent or the possession of the leased premises; requiring a
11 court to adjourn a trial for a certain period under certain circumstances;
12 requiring a court to make certain findings of fact and issue a certain order;
13 requiring the clerk of the District Court for the district in which the leased
14 premises are located to notify the Department of the Environment of the entry of
15 an order establishing an escrow account under certain circumstances; requiring
16 that money deposited in an escrow account be released to a landlord upon
17 compliance by the landlord with a certain registration requirement or risk
18 reduction standard relating to lead risk in housing; requiring a landlord to
19 provide evidence of compliance by a certain written confirmation by the
20 Department of the Environment; requiring a court to determine the amount of
21 rent, late fees, court costs, and other court awarded fees due as of the date a
22 complaint was filed under certain circumstances; requiring the determination of
23 rent, late fees, court costs, and other court awarded fees to include certain items;
24 and generally relating to rent escrow accounts.

25 BY repealing and reenacting, with amendments,
26 Article - Real Property
27 Section 8-211(g), 8-211.1, and 8-401(c)
28 Annotated Code of Maryland
29 (2003 Replacement Volume and 2003 Supplement)

30 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
31 MARYLAND, That the Laws of Maryland read as follows:

1

Article - Real Property

2 8-211.

3 (g) In order to employ the remedies provided by this section, the tenant shall
4 notify the landlord of the existence of the defects or conditions. Notice shall be given
5 by (1) a written communication sent by certified mail listing the asserted conditions
6 or defects[, or (2) actual notice of the defects or conditions, or (3)] OR (2) a written
7 violation, condemnation or other notice from an appropriate State, county, municipal
8 or local government agency stating the asserted conditions or defects.

9 8-211.1.

10 (a) (1) Notwithstanding any provision of law or any agreement, whether
11 written or oral, if a landlord fails to comply with the REGISTRATION REQUIREMENT
12 UNDER §§ 6-811 AND 6-812 OF THE ENVIRONMENT ARTICLE OR THE applicable risk
13 reduction standard under § 6-815 or § 6-819 of the Environment Article, the tenant
14 may [deposit the tenant's rent in an escrow account with the clerk of the District
15 Court for the district in which the premises are located]:

16 (I) BRING AN ACTION OF RENT ESCROW TO PAY RENT INTO COURT;
17 OR

18 (II) REFUSE TO PAY RENT AND RAISE THE LANDLORD'S FAILURE TO
19 COMPLY WITH THE REGISTRATION REQUIREMENT UNDER §§ 6-811 AND 6-812 OF THE
20 ENVIRONMENT ARTICLE OR THE APPLICABLE RISK REDUCTION STANDARD UNDER §
21 6-815 OR § 6-819 OF THE ENVIRONMENT ARTICLE AS AN AFFIRMATIVE DEFENSE TO
22 AN ACTION FOR DISTRESS FOR RENT OR TO ANY COMPLAINT PROCEEDING BROUGHT
23 BY THE LANDLORD TO RECOVER RENT OR THE POSSESSION OF THE LEASED
24 PREMISES.

25 (2) IF A TENANT RAISES THE ISSUE OF RENT ESCROW AS AN
26 AFFIRMATIVE DEFENSE TO AN ACTION FOR DISTRESS FOR RENT OR TO A COMPLAINT
27 PROCEEDING BROUGHT BY THE LANDLORD TO RECOVER RENT OR THE POSSESSION
28 OF THE LEASED PREMISES UNDER PARAGRAPH (1) OF THIS SUBSECTION, THE COURT
29 SHALL ADJOURN THE TRIAL FOR A PERIOD NOT EXCEEDING 1 WEEK TO ALLOW THE
30 PARTIES TO PRODUCE EVIDENCE OR WITNESSES AS MAY BE REQUIRED.

31 (3) THE COURT SHALL MAKE APPROPRIATE FINDINGS OF FACT AND
32 MAY ORDER THAT THE TENANT'S RENT BE DEPOSITED IN AN ESCROW ACCOUNT
33 WITH THE CLERK OF THE DISTRICT COURT FOR THE DISTRICT IN WHICH THE
34 LEASED PREMISES ARE LOCATED.

35 (4) IF THE COURT ORDERS THE ESTABLISHMENT OF AN ESCROW
36 ACCOUNT AND THE PERIOD FOR AN APPEAL OF THE ORDER EXPIRES, THE CLERK OF
37 THE DISTRICT COURT FOR THE DISTRICT IN WHICH THE LEASED PREMISES ARE
38 LOCATED SHALL, WITHIN 10 DAYS, NOTIFY THE DEPARTMENT OF THE
39 ENVIRONMENT OF THE ENTRY OF THE ORDER ESTABLISHING THE ESCROW
40 ACCOUNT.

1 (b) The right of a tenant to deposit rent in an escrow account does not preclude
2 the tenant from pursuing any other right or remedy available to the tenant at law or
3 equity and is in addition to them.

4 (c) (1) Money deposited in an escrow account shall be released under the
5 following terms and conditions:

6 [(1)] (I) To the [lessor] LANDLORD upon compliance by the [lessor]
7 LANDLORD with the PROVISIONS OF §§ 6-811 AND 6-812 OF THE ENVIRONMENT
8 ARTICLE OR THE applicable [risk reduction standard] PROVISIONS OF § 6-815 OR §
9 6-819 OF THE ENVIRONMENT ARTICLE; or

10 [(2)] (II) To the lessee or any other person who has complied with the
11 applicable risk reduction standard on presentation of a bill for the reasonable costs of
12 complying with the applicable risk reduction standard.

13 (2) A LANDLORD SHALL PROVIDE EVIDENCE OF COMPLIANCE WITH THE
14 PROVISIONS OF §§ 6-811 AND 6-812, § 6-815, OR § 6-819 OF THE ENVIRONMENT
15 ARTICLE BY A WRITTEN CONFIRMATION BY THE DEPARTMENT OF THE
16 ENVIRONMENT IN A FORM CHOSEN BY THE DEPARTMENT OF THE ENVIRONMENT.

17 (d) A lessee may not be evicted, the tenancy may not be terminated, and the
18 rent may not be raised for a lessee who elects to seek the remedies under this section.
19 It shall be presumed that any attempt to evict the lessee, to terminate the tenancy, or
20 to raise the rent, except for nonpayment of rent, within two months after compliance
21 with the applicable risk reduction standard is in retaliation for the lessee's proceeding
22 under this section and shall be void.

23 (e) This section shall preempt any public local law or ordinance concerning the
24 deposit of rent into an escrow account based upon the existence of paint containing
25 lead pigment on surfaces in or on a rental dwelling unit in the State and disposition
26 of that rent.

27 8-401.

28 (c) (1) If, at the trial on the fifth day indicated in subsection (b) of this
29 section, the court is satisfied that the interests of justice will be better served by an
30 adjournment to enable either party to procure their necessary witnesses, the court
31 may adjourn the trial for a period not exceeding 1 day, except with the consent of all
32 parties, the trial may be adjourned for a longer period of time.

33 (2) (i) If, when the trial occurs, it appears to the satisfaction of the
34 court, that the rent, or any part of the rent, [and] late fees, COURT COSTS, AND
35 OTHER COURT AWARDED FEES are actually due and unpaid, the court shall
36 determine the amount of rent, [and] late fees, COURT COSTS, AND OTHER COURT
37 AWARDED FEES due as of the date the complaint was filed, if the trial occurs within
38 the time specified by subsection (b)(3) of this section.

39 (ii) 1. If the trial does not occur within the time specified in
40 subsection (b)(3)(i) of this section and the tenant has not become current since the

