

HOUSE BILL 1117

N1

(4lr1054)

ENROLLED BILL

— *Environment and Transportation/Judicial Proceedings* —

Introduced by ~~Delegate Stewart~~ Delegates Stewart, Addison, Allen, Boyce, Foley, Healey, Lehman, J. Long, Love, Ruth, and Terrasa

Read and Examined by Proofreaders:

Proofreader.

Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this _____ day of _____ at _____ o'clock, _____ M.

Speaker.

CHAPTER _____

AN ACT concerning

Landlord and Tenant – Failure to Repair Serious and Dangerous Defects – Tenant Remedies (Tenant Safety Act of 2024)

FOR the purpose of establishing that a landlord that offers a dwelling for rent is deemed to warrant the dwelling fit for human habitation; ~~clarifying that certain mold hazards constitute dangerous conditions and defects for which a tenant may obtain relief;~~ authorizing multiple tenants to join as plaintiffs in the same civil action against a landlord and authorizing a court to issue an order for separate trials or any other orders necessary to prevent delay or avoid prejudice; establishing that, prior to a certain court order, there is a rebuttable presumption that a tenant is entitled to have a court adjudicate a request for rent abatement; establishing a rebuttable presumption related to the abatement of prospective rent and the requirements for rent escrow; establishing a rebuttable presumption that limits rent escrow payments

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.

Italics indicate opposite chamber/conference committee amendments.



to rent that is due and unpaid subsequent to a court order; authorizing the award of attorney's fees, costs, and expenses related to litigation ~~and a~~ to a certain tenant who prevails in certain actions; authorizing a court to enter a certain judgment in favor of a landlord for attorney's fees, costs, and expenses related to litigation under certain circumstances; establishing that certain local laws preempt certain provisions of this Act; authorizing certain remedies for a tenant if a landlord breaches the warranty of habitability; providing that a landlord may raise certain defenses in a civil action related to the breach of the warranty of habitability; providing that a court may order certain relief in civil actions related to the breach of the warranty of habitability, including actual damages, abatement of rent due and unpaid, and the termination of a lease; and generally relating to remedies for a landlord's failure to repair serious and dangerous defects.

BY repealing and reenacting, with amendments,

Article – Real Property
Section 8–211
Annotated Code of Maryland
(2023 Replacement Volume)

BY adding to

Article – Real Property
Section 8–212
Annotated Code of Maryland
(2023 Replacement Volume)

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

Article – Real Property

8–211.

(a) **(1)** The purpose of this section is to provide tenants with a mechanism for encouraging the repair of serious and dangerous defects which exist within or as part of any residential dwelling unit, or [upon the] ON property used in common of which the dwelling unit forms a part.

(2) The defects sought to be reached by this section are those which present a substantial and serious threat of danger to the life, health, and safety of the occupants of the dwelling unit, and not those which merely impair the aesthetic value of the premises, or which are, in those locations governed by such codes, housing code violations of a nondangerous nature.

(3) The intent of this section is not to provide a remedy for dangerous conditions in the community at large which exists apart from the leased premises or the property in common of which the leased premises forms a part.

(b) It is the public policy of [Maryland] **THE STATE** that meaningful sanctions be imposed [upon those who allow] **ON A LANDLORD THAT ALLOWS** dangerous conditions and defects to exist in leased premises, and that an effective mechanism be established for repairing these conditions and halting their creation.

(c) **(1) [This] EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, THIS** section applies to **ALL** residential dwelling units leased for the purpose of human habitation within the State [of Maryland. This section does not apply to farm tenancies.

(d) This section applies to all applicable dwelling units] whether they are [(1) publicly]:

(I) PUBLICLY or privately owned; or [(2) single]

(II) SINGLE or multiple units.

(2) THIS SECTION DOES NOT APPLY TO FARM TENANCIES.

[(e)] **(D)** ~~¶This section provides a remedy and imposes an obligation upon ON~~ **ON** landlords ~~¶A LANDLORD THAT OFFERS A RESIDENTIAL DWELLING UNIT FOR RENT, WHETHER BY WRITTEN OR ORAL LEASE OR AGREEMENT, SHALL BE DEEMED TO WARRANT THAT THE RESIDENTIAL DWELLING UNIT IS FIT FOR HUMAN HABITATION AND THAT THE LANDLORD IS OBLIGATED~~ to repair and eliminate conditions and defects which constitute, or if not promptly corrected will constitute, a fire hazard or a serious and substantial threat to the life, health, or safety of occupants, including[, but not limited to]:

(1) Lack of heat, light, electricity, or hot or cold running water, except where the tenant is responsible for the payment of the utilities and the lack thereof is the direct result of the tenant's failure to pay the charges;

(2) Lack of adequate sewage disposal facilities;

(3) Infestation of rodents in two or more dwelling units;

(4) The existence of any structural defect which presents a serious and substantial threat to the physical safety of the occupants; ~~¶or~~

(5) The existence of any condition which presents a health or fire hazard to the dwelling unit; ~~OR~~

~~**(6) THE EXISTENCE OF MOLD IN A DWELLING UNIT THAT PRESENTS A SERIOUS AND SUBSTANTIAL THREAT TO THE HEALTH OF THE OCCUPANTS.**~~

[(f)] (E) (1) This section does not [provide a remedy for the] **APPLY TO A** landlord's failure to repair and eliminate minor defects or, in those locations governed by such codes, housing code violations of a nondangerous nature.

(2) There is a rebuttable presumption that the following conditions, when they do not present a serious and substantial threat to the life, health, and safety of the occupants, are not covered by this section:

[(1)] (I) Any defect which merely reduces the aesthetic value of the leased premises, such as the lack of fresh paint, rugs, carpets, paneling, or other decorative amenities;

[(2)] (II) Small cracks in the walls, floors, or ceilings;

[(3)] (III) The absence of linoleum or tile [upon] **ON** the floors, provided that they are otherwise safe and structurally sound; or

[(4)] (IV) The absence of air conditioning.

[(g)] (F) (1) In order to employ the remedies provided by this section, the tenant shall notify the landlord of the existence of the defects or conditions.

(2) Notice shall be given by **[(1) a]**:

(I) A written communication sent by certified mail listing the asserted conditions or defects[, or (2) actual];

(II) **ACTUAL** notice of the defects or conditions[,]; or **[(3) a]**

(III) A written violation, condemnation or other notice from an appropriate State, county, municipal, or local government agency stating the asserted conditions or defects.

[(h)] (G) (1) The landlord has a reasonable time after receipt of notice in which to make the repairs or correct the conditions.

(2) The length of time deemed to be reasonable is a question of fact for the court, taking into account the severity of the defects or conditions and the danger which they present to the occupants.

(3) There is a rebuttable presumption that a period in excess of 30 days from receipt of notice is unreasonable.

~~[(i)]~~ **(H)** **(1)** If the landlord refuses to make the repairs or correct the conditions, or if after a reasonable time the landlord has failed to do so, the tenant may ~~[bring]~~ **TAKE ONE OR BOTH OF THE FOLLOWING ACTIONS:**

(I) **BRING** an action of rent escrow to pay rent into court because of the asserted defects or conditions~~], or the tenant may refuse];~~ **AND**

(II) **REFUSE** to pay rent and raise the existence of the asserted defects or conditions as an affirmative defense, ~~IN ADDITION TO ANY OTHER DEFENSE,~~ to an action for distress for rent or to any complaint proceeding brought by the landlord to recover rent or the possession of the leased premises.

(2) **(I)** **MULTIPLE TENANTS MAY JOIN AS PLAINTIFFS IN AN ACTION UNDER THIS SECTION IN ACCORDANCE WITH THE MARYLAND RULES ON JOINDER.**

(II) **THE COURT MAY ORDER SEPARATE TRIALS OR ISSUE ANY OTHER ORDER NECESSARY TO PREVENT DELAY OR AVOID PREJUDICE.**

(I) **(1)** **THERE IS A REBUTTABLE PRESUMPTION THAT:**

~~(1)~~ **A A TENANT IS ENTITLED TO THE ADJUDICATION OF A REQUEST FOR RENT ABATEMENT.**

(2) **(I)** **SUBJECT TO ~~SUBPARAGRAPH (H) OF THIS PARAGRAPH AND~~ SUBSECTION (M) OF THIS SECTION, THERE IS A REBUTTABLE PRESUMPTION THAT A TENANT:**

~~1.~~ **IS IS ENTITLED TO AN ABATEMENT OF PROSPECTIVE RENT; **AND****

~~2.~~ **MAY NOT BE REQUIRED TO PAY INTO ESCROW MORE THAN 50% OF THE AMOUNT OF RENT REQUIRED BY THE LEASE IN AN AMOUNT TO BE DETERMINED BY THE COURT.**

(II) **A DETERMINATION UNDER THIS PARAGRAPH IS WITHOUT PREJUDICE TO A FINAL DISPOSITION OF RENT THAT IS DUE AND UNPAID TO THE LANDLORD.**

(3) **THERE IS A REBUTTABLE PRESUMPTION THAT A COURT ORDER REQUIRING RENT ESCROW IS LIMITED TO THE PAYMENT OF RENT THAT IS DUE AND UNPAID SUBSEQUENT TO THE COURT ORDER.**

(4) **A PARTY MAY REQUEST THAT THE COURT ADJUST THE AMOUNT OF RENT THAT A TENANT PAYS INTO COURT AT ANY TIME.**

(5) IF A TENANT ALLEGES THAT A DEFECT OR CONDITION EXISTS AT THE LEASED PREMISES AT A TRIAL FOR FAILURE TO PAY RENT, THE COURT MAY GRANT A POSTPONEMENT ON REQUEST OF EITHER PARTY IN ORDER FOR THE PARTIES TO PROVIDE EVIDENCE AND ADDITIONAL INFORMATION REGARDING THE ALLEGED DEFECT OR CONDITION.

(j) (1) Whether the issue of rent escrow is raised affirmatively or defensively, the tenant may request one or more of the forms of relief set forth in this section.

(2) In addition to any other relief sought, if within 90 days after the court finds that the conditions complained of by the tenant exist **AND** the landlord has not made the repairs or corrected the conditions complained of, the tenant may file a petition of injunction in the District Court requesting the court to order the landlord to make the repairs or correct the conditions.

(k) Relief under this section is conditioned on:

(1) Giving proper notice, and where appropriate, the opportunity to correct, as described [by] **IN** subsection [(h)] **(G)** of this section;

(2) Payment by the tenant[, into court,] of the amount of rent required by the lease **INTO THE COURT**, unless this amount is modified by the court as provided in subsection **(I) OR** (m) of this section;

(3) In the case of tenancies measured by a period of [one] **1** month or more, the court having not entered against the tenant three prior judgments of possession for rent due and unpaid in the 12-month period immediately prior to the initiation of the action by the tenant or by the landlord; and

(4) In the case of periodic tenancies measured by the weekly payment of rent, the court having not entered against the tenant more than five judgments of possession for rent due and unpaid in the 12-month period immediately prior to the initiation of the action by the tenant or by the landlord, or, if the tenant has lived on the premises [six] **6** months or less, the court having not entered against the tenant three judgments of possession for rent due and unpaid.

(l) It is a sufficient defense to the allegations of the tenant that the tenant, the tenant's family, agent, employees, or assignees or social guests have caused the asserted defects or conditions, or that the landlord or the landlord's agents were denied reasonable and appropriate entry for the purpose of correcting or repairing the asserted conditions or defects.

(m) The court shall make appropriate findings of fact and make any order that the justice of the case may require, including any one or a combination of the following:

(1) Order the termination of the lease and return of the leased premises to the landlord, subject to the tenant's right of redemption;

(2) Order that the action for rent escrow be dismissed;

(3) Order that the amount of rent required by the lease, whether paid into court or to the landlord, be abated and reduced in an amount determined by the court to be fair and equitable to represent the existence of the conditions or defects found by the court to exist; or

(4) Order the landlord to make the repairs or correct the conditions complained of by the tenant and found by the court to exist.

(n) **(1)** After rent escrow has been established, the court:

[(1)] (I) Shall, after a hearing, if so ordered by the court or one is requested by the landlord, order that the money in the escrow account be disbursed to the landlord after the necessary repairs have been made;

[(2)] (II) May, after an appropriate hearing, order that some or all money in the escrow account be paid to the landlord or the landlord's agent, the tenant or the tenant's agent, or any other appropriate person or agency for the purpose of making the necessary repairs of the dangerous conditions or defects;

[(3)] (III) May, after a hearing if one is requested by the landlord, appoint a special administrator who shall cause the repairs to be made, and who shall apply to the court to pay for them out of the money in the escrow account;

[(4)] (IV) May, after an appropriate hearing, order that some or all money in the escrow account be disbursed to pay any mortgage or deed of trust on the property in order to stay a foreclosure;

[(5)] (V) May, after a hearing, if one is requested by the tenant, order, if no repairs are made or if no good faith effort to repair is made within **[six] 6** months of the initial decision to place money in the escrow account, that the money in the escrow account be disbursed to the tenant **THAT HAVE PAID INTO ESCROW**[. Such an order will not discharge the right on the part of the tenant to pay rent into court and an appeal will stay the forfeiture]; or

[(6)] (VI) May, after an appropriate hearing, order that the money in the escrow account be disbursed to the landlord if the tenant does not regularly pay, into that account, the rent owed.

(2) AN ORDER ISSUED UNDER PARAGRAPH (1)(V) OF THIS SUBSECTION:

(I) DOES NOT AFFECT THE RIGHT OF A TENANT TO PAY RENT INTO COURT; AND

(II) MAY BE STAYED ON APPEAL BY THE LANDLORD.

(O) IF A COURT ORDERS ANY RELIEF TO A TENANT WHO BRINGS AN ACTION UNDER THIS SECTION, THE TENANT MAY RECOVER:

(1) REASONABLE ATTORNEY'S FEES AND COSTS; AND

(2) REASONABLE EXPENSES RELATED TO LITIGATION, ~~SUCH AS EXPENSES FOR A MOLD ASSESSMENT AT THE RESIDENCE OF THE TENANT.~~

(P) IF A COURT FINDS THAT A COMPLAINT FILED BY A TENANT UNDER THIS SECTION IS IN BAD FAITH OR WITHOUT SUBSTANTIAL JUSTIFICATION, THE COURT MAY ENTER A JUDGMENT IN FAVOR OF THE LANDLORD FOR:

(1) REASONABLE ATTORNEY'S FEES AND COSTS; AND

(2) EXPENSES RELATED TO LITIGATION.

[(o)] ~~(P)~~ (Q) Except as provided in § 8-211.1(e) of this subtitle, [in the event any county or Baltimore City is subject to a public local law or has enacted an ordinance or ordinances comparable in subject matter to this section, commonly referred to as a "Rent Escrow Law", any such ordinance or ordinances shall supersede the provisions of this section] THIS SECTION SHALL SUPERSEDE ANY LOCAL LAW OR ORDINANCE COMPARABLE IN SUBJECT MATTER TO THIS SECTION EXCEPT TO THE EXTENT THAT THE LOCAL LAW OR ORDINANCE PROVIDES BROADER APPLICABILITY OR MORE PROTECTIONS FOR TENANTS THAN THIS SECTION.

8-212.

~~(A) IN THIS SECTION, "WARRANTY OF HABITABILITY" MEANS THE WARRANTY BY A LANDLORD DESCRIBED UNDER § 8-211 OF THIS SUBTITLE.~~

(A) IN THIS SECTION, "FIT FOR HUMAN HABITATION" MEANS THAT A DWELLING UNIT AND PROPERTY OF WHICH THE DWELLING UNIT IS A PART ARE FREE FROM SERIOUS DEFECTS OR CONDITIONS THAT CONSTITUTE, OR WILL CONSTITUTE IF NOT PROMPTLY CORRECTED, A FIRE HAZARD OR OTHER SERIOUS AND SUBSTANTIAL THREAT TO THE LIFE, HEALTH, OR SAFETY OF OCCUPANTS OF THE DWELLING UNIT.

(B) THIS SECTION APPLIES TO LANDLORDS, TENANTS, AND RESIDENTIAL DWELLING UNITS THAT ARE SUBJECT TO § 8-211 OF THIS SUBTITLE.

(C) A LANDLORD THAT OFFERS A RESIDENTIAL DWELLING UNIT FOR RENT, WHETHER BY WRITTEN OR ORAL LEASE AGREEMENT, SHALL BE DEEMED TO WARRANT THAT THE DWELLING UNIT IS FIT FOR HUMAN HABITATION.

(D) THE WARRANTY OF HABITABILITY UNDER THIS SECTION EXISTS AT THE BEGINNING OF THE TENANCY AND CONTINUES THROUGHOUT THE TERM OF THE TENANCY.

(E) RELIEF FOR BREACH OF THE WARRANTY OF HABITABILITY UNDER THIS SECTION MAY NOT BE CONDITIONED ON PAYMENT BY THE TENANT OF RENT INTO ESCROW WITH THE COURT.

~~**(D) (1) IN ORDER TO EMPLOY THE REMEDIES PROVIDED BY THIS SECTION, A TENANT SHALL NOTIFY THE LANDLORD OF THE EXISTENCE OF THE DEFECTS OR CONDITIONS IN ACCORDANCE WITH § 8-211 OF THIS SUBTITLE.**~~

(F) (1) (I) IN ORDER TO EMPLOY THE REMEDIES PROVIDED BY THIS SECTION, THE TENANT SHALL NOTIFY THE LANDLORD OF THE EXISTENCE OF DEFECTS OR CONDITIONS.

(II) NOTICE SHALL BE GIVEN BY:

1. A WRITTEN COMMUNICATION SENT BY CERTIFIED MAIL LISTING THE ASSERTED DEFECTS OR CONDITIONS;

2. ACTUAL NOTICE OF THE DEFECTS OR CONDITIONS;

OR

3. A WRITTEN VIOLATION, CONDEMNATION, OR OTHER NOTICE FROM AN APPROPRIATE STATE, COUNTY, MUNICIPAL, OR LOCAL GOVERNMENT AGENCY STATING THE ASSERTED DEFECTS OR CONDITIONS.

(2) WITHIN A REASONABLE PERIOD OF TIME AFTER RECEIPT OF NOTICE UNDER PARAGRAPH (1) OF THIS SUBSECTION, THE LANDLORD SHALL MAKE THE REPAIRS OR CORRECT THE CONDITIONS IN ACCORDANCE WITH § 8-211(G) OF THIS SUBTITLE.

~~**(E) (G) (1) IF A LANDLORD BREACHES THE WARRANTY OF HABITABILITY UNDER § 8-211 OF THIS SUBTITLE THIS SECTION AND REFUSES TO MAKE THE REPAIRS OR CORRECT THE CONDITIONS, OR IF AFTER A REASONABLE TIME THE LANDLORD HAS FAILED TO DO SO, THE TENANT MAY:**~~

(I) BRING AN ACTION FOR DAMAGES AND THE ABATEMENT OF RENT AGAINST THE LANDLORD; AND

(II) REFUSE TO PAY RENT AND RAISE THE EXISTENCE OF THE ASSERTED DEFECTS OR CONDITIONS AS AN AFFIRMATIVE DEFENSE TO AN ACTION OF DISTRESS FOR RENT OR TO ANY OTHER ACTION BROUGHT BY THE LANDLORD TO RECOVER RENT OR THE POSSESSION OF THE LEASED PREMISES.

(2) MULTIPLE TENANTS MAY JOIN AS PLAINTIFFS IN AN ACTION UNDER THIS SUBSECTION IN ACCORDANCE WITH THE MARYLAND RULES ON JOINDER.

(3) THE REMEDIES UNDER THIS SUBSECTION ARE IN ADDITION TO ANY OTHER REMEDIES PROVIDED BY LAW.

~~(F)~~ (H) IT IS A DEFENSE TO A CLAIM UNDER THIS SECTION THAT:

(1) THE TENANT, THE TENANT'S FAMILY, AGENT, EMPLOYEES, ASSIGNEES, OR SOCIAL GUESTS CAUSED THE ASSERTED DEFECTS OR CONDITIONS; OR

(2) THE LANDLORD OR THE LANDLORD'S AGENTS WERE DENIED REASONABLE AND APPROPRIATE ENTRY FOR THE PURPOSE OF CORRECTING OR REPAIRING THE ASSERTED CONDITIONS OR DEFECTS.

~~(G)~~ (I) THE COURT SHALL MAKE APPROPRIATE FINDINGS OF FACT AND ISSUE ANY ORDER THAT THE JUSTICE OF THE CASE MAY REQUIRE, INCLUDING ORDERING ANY OF THE FOLLOWING:

(1) AN AWARD OF ACTUAL DAMAGES;

(2) AN ABATEMENT OF RENT DUE AND UNPAID; OR

(3) THE TERMINATION OF THE LEASE, RETURN OF ANY UNUSED PORTION OF A SECURITY DEPOSIT TO THE TENANT, AND RELOCATION EXPENSES FOR A TENANT.

~~(H)~~ (J) IF A COURT ORDERS ANY RELIEF TO A TENANT WHO BRINGS AN ACTION UNDER THIS SECTION, THE TENANT MAY RECOVER REASONABLE:

(1) ATTORNEY'S FEES AND COSTS; AND

(2) EXPENSES RELATED TO LITIGATION, ~~SUCH AS EXPENSES FOR A MOLD ASSESSMENT AT THE RESIDENCE OF THE TENANT.~~

(K) IF A COURT FINDS THAT AN ACTION BROUGHT BY A TENANT UNDER THIS SECTION IS IN BAD FAITH OR WITHOUT SUBSTANTIAL JUSTIFICATION, THE COURT MAY ENTER A JUDGMENT IN FAVOR OF A LANDLORD FOR:

(1) REASONABLE ATTORNEY'S FEES AND COSTS; AND

(2) EXPENSES RELATED TO LITIGATION.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2024.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.