



Zafar Shah Attorney
Public Justice Center
1 North Charles Street, Suite 200
Baltimore, Maryland 21201
410-625-9409, ext. 237
shahz@publicjustice.org

HB 744 - Landlord and Tenant - Residential Leases - Tenant Rights and Protections (Tenant Protection Act)

Hearing before the House Environment and Transportation Committee, Feb. 18, 2020

Position: SUPPORT

Public Justice Center (PJC) is a non-profit, civil legal services provider that provides advice and representation to over 700 tenants throughout Maryland each year. The array of measures in this bill are salutary and meet the "common sense" test. Yet, they are also long-needed and meaningfully fill gaps in current Maryland law.

Release of security deposit

The return of a security deposit should be an ordinary transaction. In Maryland, it is fraught with tension and uncertainty. For 45 days after a tenant moves out of the property, the landlord has no obligation to release the deposit. Particularly for lower-income renters in Maryland, this delay imposes economic hardship that can destabilize the renter's new tenancy. After making payments for moving, for establishing a new security deposit, and for two months of rent, the renter is additionally missing funds from the prior deposit for nearly two months. This predictable financial dilemma often chills the desire to move, even in instances where the renter feels compelled to move because of other dilemmas – including substandard defects and other dangerous circumstances surrounding the tenancy. HB 744 shortens Maryland's 45-day delay for release of the security deposit to 30 days, in line with the majority of states using a period between 14 and 30 days.

Early lease termination and relocation cost reimbursement due to substandard housing

Relatedly, HB 744 empowers renters to leave behind dangerous defects through early lease termination and relocation cost reimbursement provisions. Where a property is unfit or standard, Maryland currently provides the renter grounds to leave the tenancy early without penalty only via the rent escrow process. In other words, the tenant must deposit current and future rent into a court account while parties litigate the issue of uninhabitability. For many, the process does not meet urgency of the situation and typically leaves them in no better financial position to leave than before the case started.

A Public Justice Center client, who lives in District 40 and did not wish to be identified, described this situation:

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I'm a single mom with boys ages 3 and 8. It is not safe for them to live in this house. The shattered window in the basement lets in cold air and rodents. Other issues exist in the property including mold, chipping paint, a cracked ceiling, and no working carbon monoxide detectors or smoke alarms. Even after we had the fire in the building, my landlord refused to install working smoke alarms. I can't sleep at night because I stay up worrying about someone breaking in through the broken basement window. I keep bleaching the walls to fight off the rodents and mold which have negatively impacted my own asthma. My electric bill has increased because I have to keep the heat on to compensate for the cold draft. And yet, I can't move elsewhere because I can't afford the fees and risk associated with breaking my lease.

After months of begging my landlord to fix my home, I used the court's rent escrow process. My landlord did not show up for the first two hearings. I explained the situation to the judge and asked if she could terminate my lease, but she said no because my landlord wasn't present at the hearing. I don't feel like the court took the safety of my children and me seriously. Without the early lease termination and relocation cost provisions in HB 744, my only option right now is to continue with a lengthy rent escrow process and hope my landlord shows up at a hearing.

Under HB 744, our client would be able to part ways with this property within 30 days after giving the landlord notice. She would continue paying rent for the 30-day period following provision of the notice. Thereafter, she could make a claim against the landlord for reimbursement of actual relocations costs plus one month's rent at the market rate. HB 744 additionally provides, where a judge in a rent escrow matter elects to terminate the lease because of the landlord's failure to repair defects, the court must order the landlord to pay for the tenant's relocation.

Broader basis for early lease termination by victims of DV, sexual assault, and stalking

HB 744 adds stalking, as defined in the Criminal Law Article, as ground for early lease termination in Real Property, alongside the existing grounds of domestic violence and sexual assault. HB 744 also solves a common shortcoming of the current lease termination statute. The existing law requires the tenant to provide notice the landlord of the intent to vacate, as well as evidence of a peace or protective order to substantiate their status as a victim. Because for many renters facing such circumstances the peace or protective order may be unattainable, HB 744 expands the law so that the report of a "qualified third party" (physician, psychologist, social worker) would suffice as documentation that supports the renter's assertion of domestic violence, sexual assault, or stalking.

Access to utility billing information at master-meter buildings

HB 744 also sets forth new transparency provisions for renters in Ratio Utility Billing System ("RUBS") properties. These properties are typically multi-family buildings on a master meter serviced by the local utility company. The owner then contracts with a third party to allocate utility charges to each unit in the building. Under current law (outside Montgomery County), tenants have no statutory rights to access the allocation calculations or to see the underlying billing and consumption data for the building. As on former PJC client put it, "you have to blindly trust that the landlord is fairly distributing the costs." In one such building, tenants across the board received erratic, seemingly inaccurate gas charges. Yet, when their complaints and demands to the property managers were ignored, there was little else these renters could do to find out why utility charges went up - even as many resorted to not heating their units throughout the winter. Even complaints to

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the Attorney General did not help shed light on the RUBS calculations.

HB 744 addresses this information gap. First, the bill requires transparency from landlords at the initial lease offering. It requires that tenants have written notice explaining exactly which utilities they will be expected to pay and the exact method or formula for how these costs will be allocated. In addition, the bill requires landlords to provide prospective tenants with a billing history for each utility in the calendar year prior to execution of the lease. HB 744 also provides incumbent tenants the right to request information that would verify the accuracy of allocated utility bills. These measures would assist tenants with budgeting and empower them to dispute excessive or confusing utility costs.

Please issue a report of FAVORABLE on HB 744. If you have any questions, please contact Zafar Shah, shahz@publicjustice.org, (410) 625-9409 Ext. 237.

Beatrice Bastiany
Baltimore City resident – District 45

**House Bill 744 – Landlord and Tenant – Residential Leases –
Tenant Rights and Protections (Tenant Protection Act)**

Hearing of the Environment and Transportation Committee
February 18, 2019

My name is Beatrice Bastiany. In March 2018, I moved into 2324 E. Federal Street in the Broadway East Neighborhood of Baltimore City. A few months later, after a late-summer rainstorm, the basement of this house flooded with 1-2 inches of water. Over the next few rainstorms, I discovered that water continued to enter my property through the basement, kitchen windows and walls. Mold began to grow all over the walls of my second bedroom and kitchen. At first, I tried to mitigate for these issues on my own, using bleach. By October 2018, however, I began feeling unwell due to the health hazard that my home had become. At this time, I notified my landlord repairs to the property were necessary. He wrote me off, telling me that it wasn't as bad as I made it out to be, and refused to fix anything.

This went on for seven months, until I learned that there was a court process called "rent escrow" to force my landlord to make the repairs. My escrow case proceeded over the next four months, during which I continued to have flooding in my basement and condensation on the inside of my bedroom walls. I was paying rent into court, but the landlord continued to refuse to make repairs. I continued to experience increasingly serious health effects.

Almost a year after my basement first flooded, I won my court case and received all the escrowed rent money. Finally, I moved into a new

property. You may be asking yourself, if the conditions were so horrible for so long, why didn't you move out any earlier?

I wanted to move, especially after the mold began to negatively impact my health. However, moving is prohibitively expensive and time-consuming. Even the judge in my case could not, under current law, order the landlord to pay for my relocation to safe housing.

Two provisions in the Tenant Protection Act would have greatly helped in my situation.

First, if I had been allowed to terminate my lease after giving notice to my landlord and his failure to make the repairs, I would have been able to move much earlier than I did. This would have saved me from months of legal proceedings that, ultimately, did not even result in improvement of the property. I would not have had to suffer the health effects of prolonged exposure to mold and the stress of having to continuously take time off of work to attend court hearings and allow inspectors into the house.

Secondly, the Tenant Protection Act which would have helped by empowering the court to order my landlord to pay for relocation expenses.

I lived with 7 code violations that constituted threats to my life, health, and safety, for four months. Why was I forced to stay in that house? Money is the reason. Under this HB 744, my landlord would have been held accountable for relocation expenses, and the ordeal would not have had such serious physical, financial, and emotional consequences for me.

For these reasons, I ask you vote FAVORABLE on the Tenant Protection Act. Protect renters, like me, who are being taken advantage of and forced to live in unsafe housing.

Josephine Murdock
Baltimore City resident –District 41

**House Bill 744 – Landlord and Tenant – Residential Leases –
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Hearing of the Environment and Transportation Committee
February 18, 2019

I am a tenant at 4014 Maine Ave. in Baltimore City. In early July 2019, I noticed a strong gas smell in my home. I called BG&E and they came out to investigate. A few days later I had to call BG&E again because the smell persisted, and they discovered an open gas line. They shut off my gas temporarily and notified my landlord of the immediate repairs that needed to be made. Over the next month my landlord refused to get these repairs made, and I had to call BG&E three more times. The constant gas odor began to negatively impact my health. Inside my home, I was experiencing shortness of breath and dizziness. I began to find simple daily tasks exhausting. I could not use my stove with an active gas leak in the home, so I constantly had to eat out. Worse, I had to pay a friend so I could stay over at her place.

Finally, after almost two months, I filed a rent escrow claim in court. Multiple inspections were done, and each found that my landlord had failed to make the necessary repairs. On September 6, an abandoned home just across the street from me caught on fire. It took the fire department hours to finally put it out, and I was forced to vacate my house for fear of my safety. To this day, I'm still traumatized. I can only imagine what would have happened if the fire had gotten close enough to the extremely flammable gas leak in my home. I began to lose sleep from anxiety, worried that something as simple as a neighbor tossing a cigarette butt too close would blow up my home with me inside.

Despite the urgency of my situation, the escrow process dragged on for 8 court dates over four months. My landlord was continuously ordered to

make repairs by the Court but was not held accountable when he failed to do so. I continued to have health issues and was even rushed to the emergency room on two different occasions with symptoms caused by the gas leak.

Although the Court abated my rent for September, I was forced to pay the full amount for October and November into the escrow account. This became a huge financial burden as I faced \$4,193 in medical bills. I spent over \$550 on dining out and paid a friend for a night's stay 37 times, all because my home was quite clearly uninhabitable. When my court case was dismissed in November, the judge awarded me just half of the rent money I had paid into escrow.

While my landlord was given multiple chances to correct the conditions issues, I was forced to live in an unsafe home and fear for my life each day. The Tenant Protection Act would protect other renters in the future from such an ordeal.

HB 744 would allow tenants to terminate their lease if they had notified their landlord about conditions which posed serious threats to their life, health, and safety in the home and their landlord failed to make the necessary repairs in a reasonable amount of time. If the tenant did choose to pursue escrow, it would allow the Court to order the landlord to reimburse the tenant's costs of relocation.

I only wish that HB 744 had existed while I was going through a court battle for basic, safe housing conditions. The Tenant Protection Act would have protected me from my landlord's negligence and the consequences that I still deal with today.

I urge the Committee's FAVORABLE vote on HB 744.