

BRIAN E. FROSH
Attorney General

ELIZABETH F. HARRIS
Chief Deputy Attorney General

CAROLYN QUATTROCKI
Deputy Attorney General



WILLIAM D. GRUHN
Chief
Consumer Protection Division

Writer's Fax No.

STATE OF MARYLAND
OFFICE OF THE ATTORNEY GENERAL
CONSUMER PROTECTION DIVISION

Writer's Direct Dial No.

410-576-7942

kstraughn@oag.state.md.us

410-576-7040

January 26, 2021

To: The Honorable Kumar Barve
Chair, Environment and Transportation Committee

From: Karen S. Straughn
Consumer Protection Division

Re: House Bill 50 – Landlord and Tenant – Residential Leases- Tenant Rights and Protection (Tenant Protection Act of 2021) (SUPPORT)

The Consumer Protection Division of the Office of the Attorney General supports House Bill 50 sponsored by Delegate Vaughn Stewart, which would enact a broad range of tenant protections in leasing residential realty. In particular, House Bill 50 would require landlords to provide additional disclosures to tenants on ratio utility billing and security deposit deductions and would expand protections to victims of stalking and domestic violence to terminate their lease agreement. Landlord-tenant complaints are consistently among the top complaints received from consumers each year by the Consumer Protection Division, including a significant number of complaints about utility billing and deductions from security deposits.

When consumer disputes regarding utility billing are presented to the Division, the Division may attempt to mediate complaints or refer appropriate complaints to the Maryland Public Service Commission. However, House Bill 50's requirement that landlords disclose to prospective tenants the use of ratio utility billing, the methodology used to determine a tenant's utility obligation, the average monthly bill in the preceding year, and the amount of any service or administrative fees charged will allow consumers to better understand the financial burdens and obligations before leasing a rental unit. Under the present Real Property Article, there are no provisions requiring the landlord to inform tenants of their utility obligations even when the landlord is aware of the typical utility charges, service fees, and administrative fees charged to present and former tenants. The additional information presented to consumers through House Bill 50 will allow tenants to make better comparisons of available rental units in the market and prevent surprise utility charges throughout their tenancy.

200 Saint Paul Place ♦ Baltimore, Maryland, 21202-2021

Main Office (410) 576-6300 ♦ Main Office Toll Free (888) 743-0023

Consumer Complaints and Inquiries (410) 528-8662 ♦ Health Advocacy Unit/Billing Complaints (410) 528-1840

Health Advocacy Unit Toll Free (877) 261-8807 ♦ Home Builders Division Toll Free (877) 259-4525 ♦ Telephone for Deaf (410) 576-6372

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The Honorable Kumar P. Barve
HB 50
January 26, 2021
Page Two

Since 2016, the Division has received over 200 complaints from Maryland consumers regarding security deposits, many of which are due to deductions made by their landlord at the conclusion of their tenancy. Under the current law, landlords must provide to tenants a list of damages to the rental unit and the cost actually incurred for repairs. The landlord is only permitted to deduct the amount actually incurred from a held security deposit. Despite the present obligations, landlords and tenants often dispute the nature of the damage and the cost expended to make any repairs. House Bill 50's requirement that the landlord submit documentation (invoices, receipts, bills, etc.) supporting the incurred cost would prevent many of these disputes. And, as a result of House Bill 50, the Division would be able to mediate more consumer complaints regarding improper security deposit deductions.

Finally, the Division supports House Bill 50's additional protection for victims of stalking and domestic violence. Allowing consumers who are victims of gender-based violence to terminate their lease agreement provides victims with additional remedies for securing their safety without additional financial burdens.

House Bill 50 would allow the Division to successfully mediate more consumer complaints regarding utility billing and security deposit deductions as a result of the newly required disclosures and protections provided to Maryland consumers. Accordingly, the Division requests that the Environment and Transportation Committee give House Bill 50 a favorable report.

cc: The Honorable Vaughn Stewart
Members, Environment and Transportation Committee