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HB 129

January 20, 2021

TO: Members of the Environment and Transportation Committee

FROM: Natasha Mehu, Director of Government Relations

RE: HOUSE BILL 129 – Environment – Mold Inspections – Standards, Reporting, and Penalties

POSITION: Letter of Information

Chair Barve, Vice Chair Stein, and Members of the Committee, please be advised that the Baltimore City Administration (BCA) is providing the following letter of information concerning the impact of House Bill (HB) 129.

The Administration has reviewed HB 129 for the purpose of requiring local jurisdictions to conduct an annual mold inspection of all rental dwelling units within the jurisdiction and allows local jurisdictions to enforce the provisions of the legislation. We recognize the importance of creating healthy homes that curb environmental hazards, lower asthma triggers, limit trips to the emergency room, and reduce the number of school and work days missed, however the Administration has a number of concerns about the legislation.

Currently, DHCD's Code Enforcement Division Inspectors enforce the city's Building, Fire and related codes through the issuance of notices and citations. Inspectors responding to complaints of mold will inspect for leaks or lack of ventilation that may be causing the condition, in addition to the sanitation issue. DHCD Inspectors do not presently test for mold because of the inherent complexity due to many varying types of mold and lack of consensus around industry standards, but do require that property owners hire a private mold investigator to determine the type and cause of mold and remediate the conditions causing the mold.

In reviewing the 2018 International Property Maintenance Code, the ICC directs that a property's exterior and interior be maintained in a "clean, safe and sanitary condition". The Code specifically identifies defective conditions to an existing building that may result in the buildup of moisture such as a leaking roof or other defective moisture barriers. Nothing in the IPMC states that the existence of mold itself is a violation, but rather directs the code official to cite the defect that caused the mold. In

order to abate the defect/code violation, the mold itself must be eradicated to bring the property back to a “clean, safe and sanitary condition.”

On August 1, 2018, Baltimore City Ordinance 18-130 took effect requiring all Baltimore City rental properties, including one- and two-family and multi-family dwellings, to be licensed to operate as a rental by January 1, 2019. In order to receive a rental license from the Baltimore City Department of Housing and Community Development (DHCD) the property must be registered with DHCD and inspected by a State Licensed, Baltimore City registered Home Inspector. The property owner is responsible for paying the costs of the inspection and Home Inspectors set their own market rate fees for these inspections; Baltimore City does not regulate the cost of these inspections. The Home Inspector will be looking for basic life, health and safety items to insure the property is up to code and safe for the occupants and neighboring residents, including but not limited to electrical, plumbing, smoke and carbon monoxide detectors, interior and exterior sanitary conditions, utilities, and lead paint. Home Inspectors do not test for mold as a part of this process. All initial licenses are issued for a two-year period. When it is time for renewal property owner’s may be able to obtain a three-year license or be limited to a two- or one-year license based on their maintenance record and violation history.

We respectfully recommend an amendment to HB 129 so that if a jurisdiction has a rental license process that requires re-occurring 3rd party inspections, the mold inspections can conform to the local jurisdiction’s licensing schedule as long as it does not exceed an inspection every three years.

As drafted HB 129 establishes a process for a third-party inspector to perform the annual mold inspection. There are over 130,000 rental units in the City of Baltimore. If Baltimore City required landlords to hire a third-party inspector the projected cost to landlords could be more than \$53M per year. This is assuming an avg cost of \$400 per inspection. These costs may be passed on to tenants. Additionally, the City would likely incur \$750k to \$1M in costs per year to cover additional work for: inspections, licensing office, legal, IT and supplies to support the annual inspections.

If City inspectors would be required to inspect and test every rental unit on an annual basis it would create a significant operational and fiscal burden. The projected cost to complete the task in-house is \$9.3M per year. The agency estimates it would need 59 new inspectors to complete the inspections of all required units. This estimated cost was determined by a review of applicable rental units in the City and based on the anticipated costs of inspections including; staff salaries, scheduling, documentation and travel, startup costs, annual non-staff operating costs, testing kits and lab reports.

We recognize that interior environmental air quality is an important component of achieving healthy homes, we respectfully request a Task Force composed of the Maryland Department of Health, the State Department of Housing and Community Development, the Department of General Services and local jurisdictions, along with representatives from the landlord and tenant communities, to make recommendations on the feasibility of establishing uniform standards for mold assessment and remediation across the State.

We respectfully request your consideration of the Administration’s concerns on HB 129.