



Senate Bill 628 – Landlord and Tenant – Establishment of Rent Escrow Accounts – Time Limit

Position: Support

The Maryland REALTORS® support SB 628 which affects court ordered escrows.

Rent escrows are often ordered by judges when a tenant who is brought into court by the landlord argues that the landlord breached one of their duties and for that reason the tenant is not at fault. After the judge orders rent escrow, he will have the parties back to address the original complaint and whether the reason cited for rent escrow was resolved. However, it is not uncommon for a landlord to show up at the next trial date and the rent still has not been deposited in the rent escrow account.

The bill will make clear that any rent escrow created for a nonpayment of rent, holding over or breach of lease case would be paid on the date of the court order. When a party seeks redress with the courts, the scheduling of the cases takes at least 10-15 days and, in some counties, may not occur until the following month. A tenant has plenty of time to prepare their rent for this escrow requirement. If the landlord fails to correct an underlying condition, the rent will not be paid over to the landlord.

The REALTORS® believe SB 628 will ensure that rent escrow accounts work as intended and encourages a favorable report.

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