



February 28, 2023

House Bill 972

Landlord and Tenant – Rent Escrow – Mold in Residential Dwelling Units

Environment and Transportation Committee

Position: Favorable

House Bill 972 would create a minor amendment Maryland’s rent escrow statute that would have a major impact on the ability of Maryland renters to address unsafe living conditions in their homes. Arundel Community Development Services, Inc. (ACDS) serves as Anne Arundel County’s nonprofit housing and community development agency, helping Anne Arundel County residents and communities thrive through the provision of safe and affordable housing opportunities, programs to prevent and end homelessness, and community development initiatives. In fulfilling this role, ACDS administers grants to nonprofit partners, directly develops and implements programming, administers the County’s emergency rental assistance program, and advises the County on housing and community development policy initiatives.

The stated purpose of Maryland’s rent escrow statute is “to provide tenants with a mechanism for encouraging the repair of serious and dangerous defects which exist” in their home or the common areas of their rented property. Maryland’s rent escrow statute allows a renter to pay their rent into an escrow account with the court in cases where there are serious conditions that threaten the health and safety of the household. The court then holds a hearing to determine whether the conditions constitute a health and safety risk and either holds the funds in escrow until the condition is improved or, if the court does not conclude the condition presents a health risk, the funds are released to the landlord.

The current rent escrow statute includes a specific list of conditions that support a rent escrow action, including: a lack of heat, light, electricity, hot or cold running water, or sewage disposal facilities; an infestation of rodents in two or more dwelling units; the existence of any structural defect which presents a serious and substantial threat to the physical safety of the occupants; or, the existence of any condition which presents a health or fire hazard to the dwelling unit. Currently, this last “catch all” phrase is used when there is mold in a rental unit that is causing a health risk to the tenants. However, because mold isn’t specifically on “the list,” whether any particular judge will accept mold as falling into this category is arbitrary and completely inconsistent, even to get the tenant’s case to the hearing stage. *This legislation would simply add the existence of mold*

which presents a serious and substantial threat to the health of the occupants to the list of conditions that will support a rent escrow filing so the tenant can be assured they will have an opportunity to have their case heard fully. It does nothing to change the renter's burden of proving their case – the renter still has to prove whatever condition they are complaining of warrants court intervention. Including mold in the statute, as this legislation would do, will simply ensure that all renters actually have a chance to have their case heard fully if the condition they complain of is mold.

Rent escrow is often the only realistic option low income renters have to effect repairs to their units, so consistency in whether the cases are actually heard by the courts is crucial. This legislation would give all renters – not just those who are lucky enough to be before a judge who agrees mold falls into the catch all category - a fighting chance to use the rent escrow process when the condition affecting their health and safety includes the presence of mold.

For the reasons noted above, we urge a FAVORABLE report on HB 972.