



Date: March 7, 2023

Committee: Judicial Proceedings

Bill: Senate Bill 757- Baltimore City - Air Conditioning in Residential Rental Units

Position: Unfavorable

This testimony is offered on behalf of the Maryland Multi-Housing Association (MMHA). MMHA is a professional trade association established in 1996, whose members consist of owners and managers of more than 210,000 rental housing homes in over 958 apartment communities. Our members house over 538,000 residents of the State of Maryland.

Senate Bill 757 (SB 757) requires housing providers in Baltimore City to provide air conditioning to its residents, if any resident in a unit is under 3 years, or over 65 years. In properties where the resident controls the cooling system, the provider must supply an air conditioning system that can cool the space to at least 80 degrees. If the resident does not control the cooling system, the housing provider must keep the unit cooled to at least 80 degrees.

SB 757 is intended to address health and safety concerns associated with excessive heat during the summer months. However, MMHA believes there is already an adequate remedy at law in instances where the absence of air conditioning presents a true health or safety concern. Md Code Ann. Real Property § 8-211 allows residents to bring a rent escrow action to compel housing providers to supply air conditioning, if a lack of air conditioning creates a substantial threat to the life, health, or safety of occupants. Moreover, there are no age restrictions in the rent escrow statute, which provides a wider scope of protection than what is proposed in SB 757. The rent escrow statute also has the benefit of allowing housing providers to assess cooling solutions on a case-by-case basis, free of the limitations prescribed in the bill such as temperature requirements and types of spaces that must be kept cool.

While the bill attempts to limit the scope of applicability to certain residents, as a practical matter, an affirmative duty to provide air conditioning would induce housing providers to equip all units with air conditioning capability, since resident demographics are fluid and constantly subject to change. This renders implementation of the bill very expensive, considering many buildings in the city of Baltimore have older electrical systems and infrastructure. Significant renovations of this kind ultimately increase costs for residents.

For instance, one member reports that the recent installation of a ductless air conditioning system totaled nearly \$15,000 per unit, in a property with 219 units. This project resulted in a rent increase of \$105 per month for each resident after installation. Larger projects that require potential ductwork, mounting, cages, and additional electrical upgrades would carry additional costs. When considered with the inflation surge over the last two years which has required

housing providers to raise rents to cover the cost of spiking wages, property taxes, insurance, and maintenance, additional increases are potentially very meaningful for some residents.

One might argue that window units could provide a more affordable solution, however, there are concerns about the ability to sufficiently cool every habitable space in the unit to standards specified in the bill, given that a window unit is only capable of cooling a limited square footage area. This concern could potentially be mitigated with additional language that if an apartment unit has a window unit cooling system, the temperature requirements would apply only to the rooms which they are intended to serve. However, such a solution can already be provided through a rent escrow action.

For the aforementioned reasons, MMHA would request an unfavorable report on SB 757.

For more information, please contact Lauren C. Graziano, Senior Government Affairs Manager, at 518-522-3529