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Justice for All

HB0965 – Income Tax – Credit for Mold Remediation of Residential Rental Properties
Hearing before the House Ways and Means Committee,
March 2, 2023, 1:00PM

Position: FAVORABLE

Maryland Legal Aid (MLA) submits its written and oral testimony on HB0965 at the request of bill sponsor Delegate Shaneka Henson.

MLA is a non-profit law firm that provides free legal services to the State's low-income and vulnerable residents. Our 12 offices serve residents in each of Maryland's 24 jurisdictions and handle a range of civil legal matters, including housing, family law, public benefits, bankruptcy and other debt collection matters, and criminal record expungements. MLA urges the Committee's favorable report on HB0965, which would create a tax credit for rental property owners that undertake mold remediation on their properties.

In our cases involving rental housing, mold hazards are one of the most cited concerns among MLA's clients. Despite the lack of consensus in the health and policy fields that mold is dangerous in and of itself, our clients' experiences demonstrate that mold in residential rental housing poses significant physical, psychological, and economic harms to children, elders, and renters who suffer from respiratory illnesses, from allergies to Chronic obstructive pulmonary disease (COPD).

The 2021 American Housing Survey estimated that 94,000 Maryland rental properties were affected by interior water leakage and 74,000 by exterior water leakage, approximately half of which originated from defective roofing. The survey estimated that 38,000 rental properties were affected by mold.¹

This scale of harm requires multiple policy interventions. MLA often stands in support of legislation that would strengthen renters' legal remedies against substandard housing. However, we also recognize the importance of financial incentives and the reality that many landlords

¹ U.S. Census Bureau, "American Housing Survey Table Creator," American Housing Survey, 2021, https://www.census.gov/programs-surveys/ahs/data/interactive/ahstablecreator.html?s_areas=00024&s_year=2021&s_tablename=TABLE5&s_bygroup1=2&s_bygroup2=19&s_filtergroup1=3&s_filtergroup2=1.

depend financially on deferred maintenance. HB0965 provides a needed financial incentive and measure of financial relief for these landlords who undertake mold remediation.

HB0965 establishes a tax credit for the total costs incurred by a rental property owner for “mold remediation.” The bill covers removal, cleaning, demolishing, sanitizing, and abatement of underlying causes of a mold hazard or dampness.

HB0965 will promote mold remediation among landlords and thereby raise the availability of healthy housing for Maryland renters. **We ask the Committee for a favorable report on HB0965.** If you have any questions, please contact:

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