SB 171 - FAV - Public Justice Center.pdf Uploaded by: Albert Turner



Albert Turner Attorney Public Justice Center 201 North Charles Street, Suite 1200 Baltimore, Maryland 21201 410-625-9409, ext. 250 turnera@publicjustice.org

SB 171– Landlord and Tenant – Office of Home Energy Programs – Financial Assistance

Hearing before the Senate Judicial Proceedings Committee, January 30, 2024

Position: FAVORABLE WITH AMENDMENTS (FWA)

Public Justice Center (PJC) is a nonprofit public interest law firm that assists over 800 renters and their families each year. We stand with tenants to protect and expand their rights to safe, habitable, affordable, and non-discriminatory housing. PJC seeks the Committee's Favorable report on SB 171 with amendments offered by the sponsor.

SB 171 with the proposed sponsor amendments would require that landlords provide tenants with clear information in their leases and copies of any relevant utility bills that must be paid to the landlord so that tenants can more readily access utility assistance programs. In our experience, many landlords cooperate with utility assistance programs for our tenant-clients, but some do not. Some landlords don't respond to requests for documentation. Others – to facilitate a quicker eviction for a family they deem undesirable – refuse to provide tenants with the necessary documentation to complete the application for assistance including utility bills, rent ledgers, or even a copy of the lease.

Tenants face eviction and the loss of utility services for numerous reasons include the significant spike in <u>rent inflation in the aftermath of the pandemic – 19% in the Baltimore metro region</u> in 2021 and 2022. <u>Approximately 56% of families are unable to cover a \$1,000 emergency</u>. Families are closer now to the edge of homelessness than ever such that one small financial setback can push them over the cliff of utility shutoff and eviction.

SB 171 will provide families a fair and reasonable opportunity to obtain utility assistance from OHEP and ensure that no family is excluded from emergency assistance.

Public Justice Center asks that the Committee **issue a report of Favorable With Sponsor Amendments on SB 171.** If you have any questions, please contact Albert Tuner <u>turnera@publicjustice.org</u>, (410) 625-9409 Ext. 250.

SB 171 - Landlord and Tenant - Office of Home Ener

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SB 171 - Landlord and Tenant - Office of Home Energy Programs - Financial Assistance Judicial Proceedings Committee January 30, 2024 SUPPORT

Chairman Smith, Vice-Chair Waldstreicher and members of the committee, thank you for the opportunity to submit testimony in support of Senate Bill 171. This bill will require landlords to accept financial assistance from the Maryland Office of Home Energy Programs (OHEP) for the cost of utility services that a tenant is required to pay.

The CASH Campaign of Maryland promotes economic advancement for low-to-moderate income individuals and families in Baltimore and across Maryland. CASH accomplishes its mission through operating a portfolio of direct service programs, building organizational and field capacity, and leading policy and advocacy initiatives to strengthen family economic stability. CASH and its partners across the state achieve this by providing free tax preparation services through the IRS program 'VITA', offering free financial education and coaching, and engaging in policy research and advocacy. Almost 4,000 of CASH's tax preparation clients earn less than \$10,000 annually. More than half earn less than \$20,000.

OHEP provides financial support for low-income households through various ways, including with their energy and utility bills. Tenants' whose utilities are included in their rent may qualify for certain OHEP programs, which means OHEP's payment will be credited towards rent for the tenant. Although many landlords accept the payment from OHEP, they are not currently required to by law. SB 171 would require landlords to accept these payments, which would greatly benefit low-income households who qualify for OHEP programs.

According to Prosperity Now's most recent scorecard for Maryland, 20.2% of Maryland households experience income volatility, and 26.7% had difficulty paying for usual household expenses. This shows that at least one fifth of Marylanders struggle to pay for basic expenses, including rent. In Maryland, the Fair Market Rent for a two-bedroom housing unit is \$1,281 a month, which means it would take 3.1 minimum wage jobs to pay rent every month. Individuals and families are struggling to pay to live in Maryland, and SB 171 would provide low-income households with some financial relief.

We have seen the financial difficulties our clients face first-hand at CASH. Last year our benefits team worked with over 600 households across the state to receive benefits, including OHEP's energy and financial assistance. Requiring landlords to accept payments from OHEP would serve our clients and low-income Marylanders across the state by providing both financial support and housing assurance.

Thus, we encourage you to return a favorable report for SB 171.

¹ Prosperity Now: https://scorecard.prosperitynow.org/data-by-location#state/md

² Health Care for the Homeless: https://www.hchmd.org/homelessness-maryland

MD 2024 SB 171 Columbia Gas Testimony Final.pdf Uploaded by: Carville Collins



SUPPORT – Senate Bill 171 Landlord and Tenant – Office of Home Energy Programs – Financial Assistance Act Senate Judicial Proceedings Committee

Columbia Gas of Maryland, Inc., a natural gas utility providing energy to more than 34,000 customers in Maryland's western counties of Allegany, Garrett and Washington, supports Senate Bill 171, as currently written.

The legislation requires a landlord to accept financial assistance from the Office of Home Energy Programs (OHEP) in the Department of Human Services. In addition, the legislation requires a landlord to provide a tenant with appropriate and needed information and documentation necessary to determine a tenant's eligibility for financial assistance.

OHEP financial assistance programs are created to assist those struggling to pay utility bills. Individuals in need of financial help who apply for such programs should not face additional burdens when requesting assistance and need utility-related information from their landlord. Landlords should accept financial assistance on behalf of tenants who apply for assistance programs from OHEP and provide a tenant with appropriate and needed information and documentation to apply for such assistance programs.

Columbia Gas of Maryland believes the requirements of Senate Bill 171 as currently written are appropriately and reasonably crafted policies related to tenant rights and landlord responsibilities and supports the legislation in its current form.

January 30, 2024

Contact:
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(410) 580-4125
carville.collins@dlapiper.com

Contact:
Scott Waitlevertch
(724) 888-9774
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SB0171_Home_Energy_Pgms_Assistance_MLC_FAV.pdf Uploaded by: Cecilia Plante



TESTIMONY FOR SB0171 LANDLORD AND TENANT – OFFICE OF HOME ENERGY PROGRAMS – FINANCIAL ASSISTANCE

Bill Sponsor: Senator Augustine **Committee:** Judicial Proceedings

Organization Submitting: Maryland Legislative Coalition

Person Submitting: Cecilia Plante, co-chair **Position: FAVORABLE WITH AMENDMENTS**

I am submitting this testimony in favor of SB0171 on behalf of the Maryland Legislative Coalition. The Maryland Legislative Coalition is an association of activists - individuals and grassroots groups in every district in the state. We are unpaid citizen lobbyists and our Coalition supports well over 30,000 members.

Utilities, such as electricity, gas, heat, and water make up a significant portion of rent for most tenants. Several years ago, the General Assembly put in place a mechanism to help low-income renters with utility costs by making energy assistance available through the Electricity Universal Service Program (EUSP). However, not all landlords are willing to participate in the program, so the low-income renters that should be getting relief are instead forced to pay much more of their wages for utilities.

This legislation, if enacted, would require landlords to accept the funds from the EUSP program and to give those tenants who qualify the appropriate credit for their utilities. Failure of the landlord to provide their tenants with the appropriate paperwork for the EUSP program would result in an administrative penalty of \$500 and up to \$1,000 for subsequent offenses.

Our members are not certain how this new provision would be audited to ensure compliance. Certainly, landlords know what residents would qualify based on the information the renter has to provide to them. Perhaps a report that each landlord would provide monthly with the names of all tenants who qualify as low income. This report could be matched against records of all individuals in the EUSP program. WE WOULD LIKE TO SEE SOME KIND OF MECHANISM TO AUDIT THE EUSP PRORGRAM RECORDS WITH THE LOW-INCOME RESIDENTS IN THE STATE.

We support this bill and recommend a **FAVORABLE WITH AMENDMENTS** report in committee.

Scan_20240126.pdf Uploaded by: Cindy Carter Position: FAV



Cancer Support Foundation, Inc. 8268 Academy Road Ellicott City, Maryland 21043

Phone: 410.964.9563

Email: info@cancersupportfoundation.org

www.cancersupportfoundation.org

Judicial Proceedings

SB 171

Support

January 30, 2024

Good Afternoon Chair and Committee,

I am Cindy Carter the Executive Director of Cancer Support Foundation and Co-Founder of Critical Medical Needs Program. I am writing in favor of SB171

Our renters across the state who pay their utility bills for electricity and gas costs in their rent need to be able to get the same energy assistance grants that those who pay their supplier directly.

This bill is a resolution to the issues that has harmed our clients for years. We are in support of SB 171

Sincerely,

Cindy Carter

Executive Director of Cancer Support Foundation and Co-Founder of Critical Medical Needs Program

SB 171_Written Support_ FINAL.pdf Uploaded by: Cooper Gerus Position: FAV

Empowerment. Integration. Equality.



1500 Union Ave., Suite 2000, Baltimore, MD 21211
Phone: 410-727-6352 | Fax: 410-727-6389
www.DisabilityRightsMD.org

Disability Rights Maryland

Senate Judicial Proceedings Committee January 29, 2024

SB 171- Landlord and Tenant - Office of Home Energy Programs - Financial Assistance POSITION: SUPPORT

Disability Rights Maryland (DRM – formerly Maryland Disability Law Center) is the federally designated Protection and Advocacy agency in Maryland, mandated to advance the civil rights of people with disabilities. DRM works to increase opportunities for Marylanders with disabilities to be part of their communities and live in safe, affordable and accessible housing.

DRM <u>supports</u> SB 171 as the bill requires landlords to accept financial assistance from the Office of Home Energy Programs (OHEP) in the Department of Human Services for the cost of utility services to be paid by the tenant. Additionally, the bill requires landlords, under certain circumstances, to furnish a tenant with utility service documentation necessary for the Office to determine a tenant's eligibility for financial assistance and imposes penalties for a landlord's noncompliance.

While utility services are a cornerstone of safe and habitable housing, many Marylanders struggle to keep up with their utility bills. In the first four months of FY 2024, Marylanders submitted 53,060 paper applications and 18,707 online applications to OHEP for utility assistance under various programs.¹ Of those applications, the denial rate was 19.44% for the Maryland Energy Assistance Program (MEAP), 21.04% for the Electric Universal Service Program (EUSP), 43.38% for the Electric Arrearage Retirement Assistance Program (EARA), and 49.56% for the Natural Gas Arrearage Retirement Assistance Program (GARA).²

Such high application denial rates may be attributable to tenants being unable to access the appropriate utility service documentation necessary for OHEP to determine their eligibility for financial assistance. SB 171 works to address this shortfall, requiring landlords provide utility information accessible to the landlord, but otherwise inaccessible to the tenant. In doing so, the mandates set out in SB 171 shift the burden, and subsequently the penalty for noncompliance, to the landlord when a tenant seeks utility assistance. In the wake of rising energy costs,³ this bill will impact people with disabilities in a positive way by increasing tenant access to utility service documentation.

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¹ See OHEP MONTHLY DATA, FY-24-October-OHEP-Applications-by-Intake-Channel.pdf, available at https://dhs.maryland.gov/office-of-home-energy-programs/ohep-monthly-data/.

² *Id.*; FY-24-October-OHEP-Performance-By-Program.pdf.

³ See generally U.S. ENERGY INFORMATION ADMINISTRATION (EIA), <u>CURRENT ISSUES & TRENDS</u> (2023), available at https://www.eia.gov/electricity/; Josh Starkey, <u>MARYLAND PUBLIC SERVICE</u> COMMISSION AUTHORIZES BGE RATE INCREASES, WBAL, December 14, 2023, available at https://www.wbaltv.com/article/bge-rate-increases-public-service-commission-maryland/46134381. "The approved rates will result in average year-one bill increases of \$4.08 a month for residential electric customers and \$10.43 per month for residential gas customers in 2024[.]"

Utilities are a major component of safe and affordable housing. The lack of safe, decent, affordable, and accessible housing remains a significant barrier to people with disabilities moving into the community. Obtaining safe, affordable and accessible housing can provide the foundation for community integration, economic mobility, and improved quality of life for people with disabilities. Tenants who fail to pay utilities under their lease may be subject to eviction proceedings and are therefore at risk losing their housing. SB 171 serves to mitigate such risks by placing the onus on landlords to accept OHEP assistance payments on behalf of a tenant and provide tenants with utility service documentation to determine their eligibility for assistance. Noncompliant landlords will face the applicable penalties under the bill.

SB 171 provides the tools needed for safe, decent, and affordable housing for individuals with disabilities who struggle to pay their utilities. For these reasons, DRM encourages a **favorable** report.

Please do not hesitate to contact me with any questions regarding this matter.

Cooper Alec Gerus (he/him)
Staff Attorney
Disability Rights Maryland
1500 Union Avenue, Ste. 2000
Baltimore, MD 21211
(202)-709-8513
CooperG@DisabilityRightsMD.org

⁴ See Maryland Department of Disabilities, <u>Maryland State Disabilities Plan</u>, 2016-2019 12-13 (2016), available at http://mdod.maryland.gov/pub/Documents/post%20sdp%20(1).pdf.

⁵ Public and Affordable Housing Research Corporation. 2016. <u>Housing Is a Foundation: 2016 PAHRS Report. Cheshire, CT: HAI Group. https://www.novoco.com/sites/default/files/atoms/files/pahrc_2016_housing_report_080216.pdf</u>

⁶ MD. CODE ANN., REAL PROP. § 8-208 (c)(2) (West).

SB0171 OPC Testimony.pdf Uploaded by: David Lapp Position: FAV

DAVID S. LAPP
PEOPLE'S COUNSEL

---- OPC -

WILLIAM F. FIELDS
DEPUTY PEOPLE'S COUNSEL

OFFICE OF PEOPLE'S COUNSEL

State of Maryland

JULIANA BELL DEPUTY PEOPLE'S COUNSEL 6 St. Paul Street, Suite 2102 Baltimore, Maryland 21202 WWW.OPC.Maryland.GOV BRANDI NIELAND
DIRECTOR, CONSUMER
ASSISTANCE UNIT

BILL NO.: Senate Bill 0171 – Landlord and Tenant – Office of Home

Energy Programs – Financial Assistance

COMMITTEE: Judicial Proceedings Committee

HEARING DATE: January 30, 2024

SPONSOR: Senator Augustine

POSITION: Favorable

The Office of People's Counsel ("OPC") supports Senate Bill 171 because it helps enable critical energy assistance to reach more eligible residential customers in the State.

The Office of Home Energy Programs provides financial assistance to low-income households in the State to make their energy costs more affordable through several grant programs, including the Electric Universal Service Program and the Maryland Energy Assistance Program. This critical assistance helps to reduce the energy burden for those who access it, but estimates are that only a small fraction—around 25 percent—of eligible households currently do.

One barrier for low-income customers who rent, rather than own, and pay for utility services through their landlord, rather than paying the utility directly, is the requirement to submit with their application a copy of their utility bill. These tenants must rely on their landlords to provide this documentation, but under current law, landlords are not required to provide it.

With sponsor amendments we understand are forthcoming, SB 171 provides a simple fix by providing that a landlord that requires a tenant to make payments for utility services to the landlord must provide a copy of the utility bill to the tenant. By removing this barrier, SB 171 has the potential to increase EUSP participation and bring down energy burdens for more low-income households in our State. At the same time, it will increase the transparency of utility billing for all qualifying tenants.

Recommendation: OPC requests a favorable Committee report on , as amended by the Sponsor.

Senate Bill 171 favorable.pdf Uploaded by: James Bell Position: FAV





Senate Bill 171

Landlord and Tenant - Office of Home Energy Programs - Financial Assistance

Hearing in the Senate Judicial Proceedings Committee Hearing on January 30, 2024

Position: FAVORABLE

Maryland Legal Aid (MLA) submits its written and oral testimony on SB0171 at the request of bill sponsor Senator Malcolm Augustine.

MLA is a non-profit law firm that provides free legal services to the State's low-income and vulnerable residents. Our offices serve residents in each of Maryland's 24 jurisdictions and handle a range of civil legal matters, the most prominent of which is housing. Our Tenants' Right to Counsel Project represented tenants in over 2,000 cases in 2023. Maryland Legal Aid asks that the Committee report **favorably** on SB0171 to require landlord's cooperation with the energy assistance programs administered under the Department of Human Services Office of Home Energy Programs.

SB0171 establishes a new requirement that landlords (1) provide their tenants, upon request of the tenant, those documents necessary for their participation in energy assistance programs and (2) accept energy assistance funds paid by the programs on behalf of tenants. In MLA's experience representing low-income renters, these measures are essential and long needed.

Residential leases are required to state the distribution of utility payment responsibilities between the landlord and the tenant. Often, utility accounts remain in the name of the landlord. In those cases, landlords pass utility charges onto tenants as "rent." Although the tenants bear the costs, they do not gain the rights of an account holder. They typically cannot obtain account records from the utility company. Energy assistance providers rely on account records to ensure that the assistance funds are directed to the correct recipient. When landlords fail to provide that information, their tenant cannot complete the energy assistance process and remain liable for the energy charges they are unable to pay.

Unless the landlord shares account records with the tenant, the tenant is unable to complete an energy assistance application. At the same time, tenants who are approved for energy assistance may face the

¹ Md. Real Property § 8-208(c)(2). "A lease shall include:... (2) The landlord's and the tenant's specific obligations as to heat, gas, electricity, water, and repair of the premises[.]"







hurdle of the landlord's refusal to accept funds from the energy assistance provider. SB 0171 squarely addresses these problems.

Effect of energy costs on tenants

When energy charges become unaffordable and a tenant cannot pay them, they may be evicted for breaching the terms of their lease. The landlord's refusal to participate in the tenant's energy assistance application or refusal to accept energy assistance funds (paid by the agency to the landlord on the tenant's behalf) increases the prospect of eviction. Currently, neither tenants nor energy assistance providers have a legal mechanism to compel landlord's cooperation in the assistance process.

Consequently, utility companies may shut off power for lack of payment despite the availability of assistance. Beyond the immediate harm caused to tenants by loss of utilities, utility shut-off also puts tenants in breach of their lease agreements. For federally subsidized tenants, a utility shut-off additionally puts in jeopardy their eligibility to remain in subsidized housing.

Expanding Access to Existing Programs

SB0171 does not create a new utility assistance program. SB0171 does not expand eligibility to an existing utility assistance program. SB0171 only removes barriers to an existing program that benefits people already eligible to participate in those programs.

Mandatory Document Production

SB0171 would remove a key barrier to participation for Maryland renters. This bill requires landlords, upon request of the tenant, to provide utility account documentation which is inaccessible to the tenant but nonetheless necessary for the tenant to participate in energy assistance programs. Landlords are not required to work directly with the energy assistance provider. Landlords are not required to apply on the tenant's behalf.

Potential to Prevent Homelessness

SB0171 would enable low-income renters to avoid eviction for failure to maintain utility service. If a tenant fails to maintain energy to their residence, they are in breach of their lease and may be evicted by

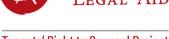
their landlord² or removed from their subsidy program.³ SB0171, by increasing tenants' access to energy assistance programs, would allow some Maryland renters to avoid homelessness by keeping their lights on and keeping them compliant with their lease and/or subsidy program obligations.

No Confidentiality Concerns Implicated

SB0171 defers to the confidentiality requirements imposed by state and federal law. Under the bill, a landlord must provide only the information necessary for the energy assistance program's determination of eligibility to participate in the program.

Maryland Legal Aid urges the Committee to issue a FAVORABLE report on Senate Bill 171. If you have any questions, please contact Joseph Loveless, Staff Attorney, (410) 925-8572, jloveless@mdlab.org or Zafar Shah, Assistant Advocacy

Director – Tenants' Right to Counsel Project, (443) 202-4478, zshah@mdlab.org.



Tenants' Right to Counsel Project

3

² Md. Code Ann, Real Prop. art. § 8-402.1 ("[W]here an unexpired lease for a stated term provides that the landlord may repossess the premises prior to the expiration of the stated term if the tenant breaches the lease, the landlord may make complaint in writing to the District Court of the county where the premises is located[.]").

³ See, e.g., Model Lease for Subsidized Programs (HUD-90105a (12/2007)), available at https://www.hud.gov/sites/dfiles/OCHCO/documents/90105a.pdf. A landlord may terminate the tenancy because of "the tenant's material noncompliance with the terms of this agreement." Paragraph 23(c)(1). Material noncompliance is defined as including "repeated minor violations of the lease." Paragraph 23(d). The HUD Handbook, produced by HUD to aid the administration of subsidized housing programs, contains a list of "minor violations," which includes "tenant fails to pay utilities." HUD Handbook, Occupancy Requirements of Subsidized Multifamily Housing Programs (4350.3), Chapter 8, page 13, available at https://www.hud.gov/program offices/administration/hudclips/handbooks/hsgh/4350.3.

SB 171_Consumer Protection Division_Support_2024_F Uploaded by: Kira Wilpone-Welborn

CANDACE MCLAREN LANHAM

Chief Deputy Attorney General

CAROLYN A. QUATTROCKI Deputy Attorney General

LEONARD J. HOWIE III

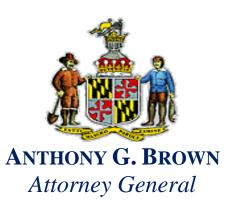
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CHRISTIAN E. BARRERA

Chief Operating Officer

ZENITA WICKHAM HURLEY Chief, Equity, Policy, and Engagement

> PETER V. BERNS General Counsel



STATE OF MARYLAND OFFICE OF THE ATTORNEY GENERAL **CONSUMER PROTECTION DIVISION**

WILLIAM D. GRUHN Chief Consumer Protection Division

Writer's Direct Dial No. 410-576-6986 kwilponewelborn@oag.state.md.us

January 29, 2024

To: The Honorable William C. Smith, Jr.

Judicial Proceedings Committee

From: Kira Wilpone-Welborn, Assistant Attorney General

Consumer Protection Division

Re: Senate Bill 171 – Landlord and Tenant - Office of Home Energy Programs - Financial

Assistance (SUPPORT)

The Consumer Protection Division of the Office of the Attorney General (the "Division") supports Senate Bill 171 sponsored by Senator Malcolm Augustine. Senate Bill 171 requires landlords to accept funds from the Office of Home Energy Programs for utility services that a tenant is obligated to pay. Senate Bill 171 further requires landlords to furnish documentation that is otherwise unavailable to tenants that establishes the tenant's eligibility for assistance from the Office.

Landlord-tenant complaints are consistently among the top complaints received from consumers each year by the Consumer Protection Division. In 2020, the Maryland General Assembly enacted the HOME Act, which provided that a renter should not face discrimination in their access or maintenance of their housing due to their source of income, including "any government or private assistance, grant, loan, or rental assistance program." See State Government Article § 20-701(J)(2)(II). Notwithstanding the HOME Act, the Division has received complaints from consumers, advocates, and rental assistance program administrators that many Maryland landlords refuse to provide the information necessary for tenants to complete applications for financial assistance or refuse to accept funds awarded to eligible renters. Allowing Maryland landlords to reject funds or refuse to provide relevant documentation to assist renters in obtaining financial assistance violates, at the very least, the spirit of the HOME Act. A favorable vote on Senate Bill 171 would further underscore and solidify the

General Assembly's intent to prevent and denounce the discrimination renters face when their finances come directly from the government.

For these reasons, the Division requests the Judicial Proceedings Committee issue a favorable report on Senate Bill 171.

cc: The Honorable Malcolm Augustine Members, Judicial Proceedings Committee

SB171_FAVORABLE_MD ENERGY ADVOCATES COALITION.pdf

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TESTIMONY IN SUPPORT SB 171

Landlord and Tenant - Office of Home Energy Programs - Financial Assistance
Judicial Proceedings
January 30, 2024

Maryland Energy Advocates Coalition is in strong support of HB139 that gives tenants the ability to access Office of Home Energy Program energy assistance if their utility charges are included in their rent. Our coalition's goal is through advocacy, reporting and education to ensure that low-income family utility bills are affordable.

Senator Augustine's bill is tactical and practical.

This bill closes a little-known gap in the OHEP system and would allow tenants who pay their home energy utility bill to their landlord, to access energy assistance when their household is income-eligible. This group of tenants pays in to fund EUSP, but cannot access any of the grants because the utility bill is in the landlord's name.

Thank you for supporting SB 171 and voting it out of Committee.

sb171, energy assistance, rent JPR 1-30-2024.pdf Uploaded by: Lee Hudson

Testimony prepared for the Judicial Proceedings Committee on Senate Bill 171

January 30, 2024 Position: **Favorable**

Mr. Chairman and members of the Committee, thank you for the opportunity to testify about adequate, affordable housing and the rights of tenants. I am Lee Hudson, assistant to the bishop for public policy in the Delaware-Maryland Synod, Evangelical Lutheran Church in America. We are a faith community with three synods in every part of Maryland.

Access to housing has been a stated concern of our community since 1999 (Sufficient, Sustainable Livelihood for All, ELCA). The bundle of available supports to make appropriate housing accessible should count toward affordability. Utility costs are housing costs and assistance for utility service should be acceptable as housing payment.

We ask a favorable report.

Lee Hudson

SB0171_CC_Martinez_FAV.pdfUploaded by: Madelin Martinez



Senate Bill 171

Landlord and Tenant – Office of Home Energy Programs – Financial Assistance

Judicial Proceedings Committee January 30, 2024

Support

Catholic Charities of Baltimore supports SB 171, which requires landlords to accept financial assistance from the Office of Home Energy Programs for tenant utility costs and provide tenants with necessary utility service documentation to determine eligibility for assistance or face penalties.

Inspired by the Gospel to love, serve and teach, Catholic Charities provides care and services to improve the lives of Marylanders in need. For 100 years, Catholic Charities has accompanied Marylanders as they age with dignity, heal from trauma and addiction, achieve economic independence, prepare for educational success and support the integration of our new neighbors into our communities.

As one of the largest human service providers in Maryland, we work every day with low-income individuals and see firsthand how they struggle to make ends meet. In particular, at Sarah's House, we serve anyone in need of safe, emergency shelter, daily meals, supportive housing, and rapid re-housing services for families experiencing homelessness in Anne Arundel County. High utility costs are just one of many barriers that can negatively impact an individual's ability to maintain stable housing.

Most of the people we move into Rapid Re-Housing come to us from the shelter, where they work on paying down their bills to be able to move into housing. Last year, we served 21 families in our Rapid Re-Housing Program. Out of those 21 families, 16 had outstanding BGE bills that they needed to pay prior to moving into their new units. We know firsthand that utility assistance is vitally important in assisting low-income individuals meet their basic housing needs.

Embracing SB 171 is crucial for securing a stable housing future for individuals in need.

This vital legislation guarantees that those working towards housing stability can confidently access the utility assistance they are eligible for. By compelling landlords to accept financial aid from the Office of Home Energy Programs, SB 171 effectively eliminates the worrisome possibility that landlords may reject the utility assistance previously approved for these individuals.

On behalf of the individuals and families we work with, Catholic Charities of Baltimore appreciates your consideration, and urges the committee to issue a favorable report for SB 171.

Submitted By: Madelin Martinez, Assistant Director of Advocacy

SB171_MAP_FAV.pdf Uploaded by: Mark Huffman Position: FAV



Member Agencies:

211 Maryland Anne Arundel County Food Bank Baltimore Jewish Council Behavioral Health System Baltimore CASH Campaign of Maryland **Energy Advocates** Episcopal Diocese of Maryland Family League of Baltimore Fuel Fund of Maryland Job Opportunities Task Force Laurel Advocacy & Referral Services, League of Women Voters of Maryland Loyola University Maryland Maryland Center on Economic Policy Maryland Community Action Partnership Maryland Family Network

Marylanders Against Poverty

Maryland Food Bank

Maryland Hunger Solutions

Paul's Place

St. Vincent de Paul of Baltimore

Welfare Advocates

Kali Schumitz, Co-Chair P: 410-412- 9105 ext 701 E: kschumitz@mdeconomy.org

Mark Huffman, Co-Chair P: (301) 776-0442 x1033 E: MHuffman@laureladvocacy.org

TESTIMONY IN SUPPORT OF SB 171

Landlord and Tenant – Office of Home Energy Programs – Financial
Assistance
Judicial Proceedings
January 30, 2024, 1pm

Submitted by Kali Schumitz and Mark Huffman, Co-Chairs

Marylanders Against Poverty (MAP) strongly supports SB 171, which requires landlords to accept Office of Home Energy Programs (OHEP) grants to pay down their tenants' utility bills.

MAP supports any effort to reduce low-income utility bills. This bill will close a gap for tenants who do fund OHEP programs yet can't get grants, because the utility bill is paid for by their landlord.

MAP appreciates your consideration and urges the committee to issue a favorable report for SB 171.

Marylanders Against Poverty (MAP) is a coalition of service providers, faith communities, and advocacy organizations advancing statewide public policies and programs necessary to alleviate the burdens faced by Marylanders living in or near poverty, and to address the underlying systemic causes of poverty.

SB0171 Written Testimony.pdfUploaded by: Matthew Losak Position: FAV



SB0171 - Office of Home Energy Programs - Financial Assistance Matt Losak, Executive Director

301-588-3987

Hearing before the Senate Judiciary Committee Committee, January 30, 2024

Position: FAVORABLE

Founded in 2010, the Renters Alliance is the first and only regional nonprofit dedicated exclusively to renter outreach, education, organizing and advocacy.

We thank Senator Augustine and Delegate Charkoudian for their leadership on this issue.

SB171 protects renters from any landlord who would use this loophole to decline utility payments form a third party. There is no reason for a landlord to make a renter's home unstable unless they are intentionally targeting tenants receiving public assistance. We have successfully passed the Home Act to ensure that no renter is discriminated against based on source of income. The same should be true when receiving utility assistance from any third-party source including the state.

We know when tenants do not have this protection, some landlords might use the declination of payment as a means to target and evict low-income, and disproportionately tenants of color. SB 171 removes this vulnerability.

We urge a favorable report

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SB 171 Landlord and Tenant _OHEP_Financial Assista

Uploaded by: Tammy Bresnahan



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SB 171 Landlord and Tenant - Office of Home Energy Programs - Financial Assistance Senate Judicial Proceedings Committee Favorable January 30, 2024

Good afternoon, Chair Smith and members of the Senate Judicial Proceedings Committee. I am Tammy Bresnahan Senior Director of Advocacy for AARP Maryland. We thank Senator Augustine for sponsoring this important bill. AARP Maryland is an organization representing the interests of Marylanders age 50 plus and their families. Key priorities of our organization include helping all Marylanders achieve financial and health security. AARP MD supports SB 171 Landlord and Tenant –Office of Home Energy Programs—Financial Assistance.

AARP is working hard to strengthen retirement security for all Americans by ensuring that workers and retirees have access to their hard earned and hard saved dollars. The rising cost of essential necessities, including groceries, utilities, and prescription drugs, is of significant concern for millions of Marylanders, especially for older and retired Marylanders living on fixed incomes. In fact, according to an AARP study, in 2017, 22% of Maryland residents stopped taking medication as prescribed due to rising costs.

Older Marylanders on fixed incomes clearly feel the effects of inflation more than the rest of us. These retirees bear a disproportionate brunt of drug and medical inflation, which is significantly higher than overall inflation. And when they can't pay their gas and electric, life becomes even more problematic.

SB 171 requires a landlord to accept financial assistance from the Office of Home Energy Programs (OHEP) within the Department of Human Services (DHS) for the cost of utility services that a tenant is required to pay. A landlord must provide a tenant, on request, with utility service documentation necessary for OHEP to determine the tenant's eligibility for financial assistance, as specified.

AARP believes energy efficiency programs should specifically target customers who have low incomes, renters, and other hard-to-reach customers. States should consider assigning the responsibility of administering ratepayer-funded energy efficiency programs to an independent entity like the Office of Home Energy Programs (OHEP) to make sure renters get the energy assistance they need.

For these reasons, we ask for a favorable report on SB 171 have questions, please contact me tbresnahan@aarp.org or by calling 410-302-8451.

SB171 Written Testimony 2024.pdfUploaded by: Zoe Gallagher Position: FAV



Testimony to the Judicial Proceedings Committee HB71 Landlord and Tenant – Office of Home Energy Programs – Financial Assistance Position: Favorable

1/29/2024
The Honorable Senator Smith, Chair
Judicial Proceedings Committee
2 East
Miller Senate Office Building
Annapolis, Maryland 21401

Chair Korman and Honorable Members of the Committee:

My name is Zoe Gallagher and I am a Policy Associate at Economic Action Maryland. Economic Action Maryland (formerly the Maryland Consumer Rights Coalition) is a people-centered movement to expand economic rights, housing justice, and community reinvestment for working families, low-income communities, and communities of color. Economic Action Maryland provides direct assistance today while passing legislation and regulations to create systemic change in the future.

As representative of an organization that works closely with tenant advocacy and affordable housing, I am writing to urge a favorable report on SB171 with sponsor amendments, which would require landlords who include utilities in the cost of rent to accept assistance funds from The Office of Home Energy Programs from their tenants as payment for utilities. It would also require for such arrangements, that the nature of utility payments be outlined in the lease agreement. It would also require landlords to provide copies of the utility bills for the occupied unit so that tenants can apply for OHEP assistance.

Last month, just as gas and electric bills were surging due to cold temperatures, the Public Service commission approved Baltimore Gas and Electric's (BGE) proposed three year plan to raise rates by over \$400 million. This will lead to a yearly 5% increase in rates over the next three years, which many Marylanders cannot afford without assistance. Unfortunately, for some renters who pay their utility bills as a portion of their monthly rent, it is difficult to obtain this assistance due to a lack of transparency, or simply because their landlord can refuse OHEP funds as a substitute for full payment of rent from the tenant.

As nearly a <u>third</u> of renters across Maryland are considered extremely low-income, it is crucial that energy assistance funds are accessible to those most in need. As it is already incredibly difficult for renters across the state to find affordable housing, it is unfair for a renter to be denied access to this program, simply because of payment policies pre-determined by their landlord. If a renter is low-income and qualifies for OHEP funds, they should be able to gain access to this incredibly beneficial resource, even if their landlord chooses to take responsibility for direct payment of utilities.

For these reasons, I urge a favorable report on 171.

Sincerely,
Zoe Gallagher, Policy Associate

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SB0171/813821/1

AMENDMENTS
PREPARED
BY THE
DEPT. OF LEGISLATIVE
SERVICES

29 JAN 24 16:53:36

BY: Senator Augustine
(To be offered in the Judicial Proceedings Committee)

AMENDMENTS TO SENATE BILL 171

(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in line 2, strike "Office of Home Energy Programs" and substitute "Notice of Utility Bills in Residential Leases"; in the same line, strike "Financial Assistance" and substitute "Gas and Electric Services"; strike beginning with "requiring" in line 3 down through "assistance" in line 8 and substitute "adding gas and electric utility services to the types of utility services for which certain landlords are required to provide a certain notice in a written lease and a copy of a certain receipt under certain circumstances"; in lines 8 and 9, strike "the Office of Home Energy Programs" and substitute "required provisions in written leases"; in line 10, strike "adding to" and substitute "repealing and reenacting, with amendments,"; and in line 12, strike "8–220" and substitute "8–205.1".

AMENDMENT NO. 2

On page 1, after line 17, insert:

"8–205.1.

- (a) In this section, "utility service provider" means a public service company or a unit of State or local government that provides water [or], sewer, GAS, OR ELECTRIC utility services.
- (b) [(1) This section applies only to a landlord of a building that contains one or two residential dwelling units.

SB0171/813821/01 Amendments to SB 171 Page 2 of 2

Augustine

- (2) This section does not apply to a landlord that requires a tenant, under an oral or written lease, to pay water [or], sewer, GAS, OR ELECTRIC bills directly to the utility service provider.
- (c) A landlord that requires a tenant to make payments for water [or], sewer, GAS, OR ELECTRIC utility services to the landlord shall:
- (1) Use a written lease that provides notice that the tenant is responsible for making payments for water [or], sewer, GAS, OR ELECTRIC utility services to the landlord; and
- (2) Provide a copy of the water [or], sewer, GAS, OR ELECTRIC bill to the tenant.".

On pages 1 and 2, strike in their entirety the lines beginning with line 18 on page 1 through line 25 on page 2, inclusive.

SB171 - EUSP_MEAP & Energy Assistance FINAL.docx-2Uploaded by: Malcolm Augustine

MALCOLM AUGUSTINE

Legislative District 47

Prince George's County

PRESIDENT PRO TEMPORE

Executive Nominations Committee Education, Energy and the Environment Committee



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January 30, 2024

Senate Bill 171 - Landlord and Tenant – Office of Home Energy Programs – Financial Assistance

Dear Colleagues,

I am pleased to present **Senate Bill 171 - Landlord and Tenant – Office of Home Energy Programs – Financial Assistance**. The Maryland Office of Home Energy Programs (OHEP) plays a crucial role in providing vital assistance to low-income households grappling with energy-related financial challenges. OHEP offers support for paying utility bills, addressing past-due payments, safeguarding against utility turn-offs, and facilitating access to weatherization and energy efficiency upgrades. These services are particularly essential for households that may not have other avenues to secure such support. The objective of this legislation is to assist individuals in accessing the benefits for which they are eligible.

Certain OHEP programs are designed to assist households whose utility payments are integrated into their rent. However, to ensure accurate and effective distribution of support grants, OHEP requires visibility into the utility bill. Typically, this involves the landlord accepting the payment on behalf of the tenant and then crediting the dispersed amount to the individual's rent. Alternatively, OHEP can directly distribute funds to the tenant if provided with the necessary bill information. Feedback from various community organizations reveal that while the majority of landlords actively participate in OHEP, some either refuse to accept payments or foster tenant-landlord relationships that discourage tenants from requesting required information.

As originally drafted, Senate Bill 171 advocates for landlords to accept these funds, introducing penalties for non-compliance. Following discussions with the Department of Human Services (DHS) and advocates, a preferable solution has been identified. Instead of the current bill, the proposed amendment incorporates electric and gas utilities into the Real Property Article. This amendment extends the existing requirement for landlords to furnish tenants with a copy of the bill for utilities paid through them. This adjustment is anticipated to enhance transparency for all tenants and provide those hesitant to engage with landlords an avenue to access their bills and associated benefits.

MALCOLM AUGUSTINE

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Prince George's County

PRESIDENT PRO TEMPORE

Executive Nominations Committee

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THE SENATE OF MARYLAND Annapolis, Maryland 21401

Thank you for your attention to this critical matter. I urge the committee to give a **favorable** report, as amended, for **Senate Bill 171 - Landlord and Tenant – Office of Home Energy Programs – Financial Assistance** acknowledging its potential to streamline utility assistance processes, improve transparency, and ultimately benefit a broader spectrum of tenants in need.

Sincerely,

Senator Malcolm Augustine

Malrohn Augustine

MALCOLM AUGUSTINE

Legislative District 47

Prince George's County

PRESIDENT PRO TEMPORE

Executive Nominations Committee Education, Energy and the Environment Committee THE SENATE OF MARYLAND Annapolis, Maryland 21401 James Senate Office Building
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Amendment

Delete the text of the bill and replace it with the following additions to MD Code, Real Property, § 8-205.1:

Utility service provider defined

(a) In this section, "utility service provider" means a public service company or a unit of State or local government that provides water, or sewer, gas, or electric utility services.

Scope of section

- (b)(1) This section applies only to a landlord of a building that contains one or two residential dwelling units.
- (2) This section does not apply to a landlord that requires a tenant, under an oral or written lease, to pay water, er sewer, gas or electric bills directly to the utility service provider.

Payments to landlord; copy of bill to tenant

- (c) A landlord that requires a tenant to make payments for water, or sewer, gas or electric utility services to the landlord shall:
- (1) Use a written lease that provides notice that the tenant is responsible for making payments for water or sewer utility services to the landlord; and
- (2) Provide a copy of the water, or sewer, gas or electric bill to the tenant.