SB 946 - Landlord and Tenant – Failure to Repair Serious and Dangerous Defects - Tenant Remedies (Tenant Safety Act)

Hearing of the Senate Judicial Proceedings Committee, Mar. 7, 2024

Position: SUPPORT (FAV)

I, Michael Lent of District 08, support SB 946, the Tenant Safety Act, to help tenants hold landlords accountable for refusing to fix severe conditions of disrepair that threaten their life, health, or safety.

Giving tenants an easier way to work together in court who have common problems stemming from the same issue will help reduce the number of court dates and filings. If a lower portion of a high rise floods periodically and affects multiple tenants and the landlord will not fix the situation why should the tenants act individually when it affects their entire floor. When a pest problem is in a garden style apartment it will likely be affecting others in the same block. Why not give them the ability to file together to ask the court for help in alleviating the condition plaguing them all.

In Maryland today there are many more renting families suffering with uninhabitable living conditions than the number who file a court complaint seeking "rent escrow" – where the rent is placed into escrow with the court until repairs are made. Some tenants do not file a rent escrow complaint by themselves out of fear of landlord retaliation or because they have no legal counsel to guide them through the process. Some do not have all of the rent that the landlord claims is past-due. Others have no confidence that the court will provide them any relief or require the landlords to make repairs.

Tenants are not wrong in these assessments. A <u>2016 investigative report by the Baltimore Sun found that the rent escrow system is broken:</u> Even when renting families do overcome the initial obstacles to filing for rent escrow, the Court reduces the rent and provides immediate relief to renters in only 6% of cases.

As a result, Maryland is on pace to see only 1,959 "rent escrow" complaints filed by tenants against landlords in 2023, yet there are over 66,500 severely or moderately inadequate rental housing units In Maryland. Many landlords are not being held accountable for repairing major conditions of disrepair that impact not only renting families but entire communities that suffer from the resulting blight.

The Tenant Safety Act will do 5 things to make rent escrow work and hold landlords accountable:

1. **Join Similar Rent Escrow Cases Together.** Make it easier for tenants with the same repair issues and same landlord to join in a single rent escrow case under the

Court's existing rules on "joinder." There is strength in numbers when neighbors can work together to hold their landlord accountable.

- 2. **Reset Expectations**. If a landlord refuses to make repairs, then normally a tenant should pay into escrow a reduced rent (by 50% in most cases) going forward until repairs are made. This will help tenants who do not have the full amount that the landlord claims is past-due to still hold the landlord accountable. This will also incentivize landlords to quickly make repairs to avoid losing rent. At the end of the case, the Court will decide how much is due to each party. Many states like Michigan, Minnesota, Colorado, New York, Massachusetts, and New Mexico have similar provisions that lower the barriers to rent escrow for tenants after they have shown that their landlords have been notified of the need for urgent repairs but refused to make them.
- 3. **Warranty of Habitability**. For claims of past-due rent, clarify that tenants should *not* have to pay the *full* amount of rent if the landlord refused to make repairs by codifying the "warranty of habitability" that already exists in Maryland law.
- 4. **Mold**. Clarify that when a tenant can show that mold is a severe threat to life, health, or safety, the tenant should be able to file for rent escrow.
- 5. Level the Playing Field with Attorney's Fees. Allow a tenant to recover attorney's fees and costs if they win the case. Most landlords already have a lease provision for attorney's fees if they win. With this addition to rent escrow law, more attorneys will take rent escrow cases for tenants and help level the playing field.

I support the work of Renters United Maryland coalition and ask that the Committee issue a report of FAVORABLE on SB 946.

Michael Lent

District 08

2504 Creighton Ave Parkville MD 21234