



Testimony to the Senate Judicial Proceedings Committee
SB946 - Landlord and Tenant – Failure to Repair Serious and Dangerous Defects - Tenant Remedies
(Tenant Safety Act)
Position: Favorable

3/6/2024

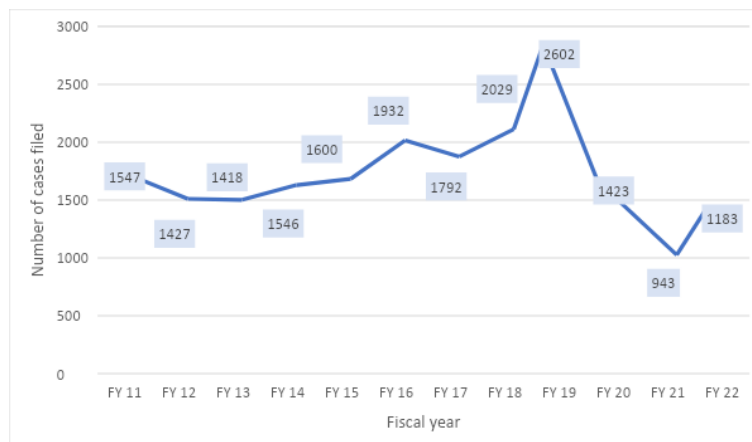
The Honorable Senator Smith, Chair
Judicial Proceedings Committee
2 East
Miller Senate Office Building
Annapolis, Maryland 21401

CC: Members of the Senate Judicial Proceedings Committee

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.

I am writing to urge your favorable report on SB946 because it would support tenants facing dangerous conditions in accessing rent escrow.

As it stands, there are many more tenants suffering with uninhabitable living conditions than file for rent escrow. For many, the prospect of bringing an individual lawsuit raises insurmountable fear of retaliation and abuse by unscrupulous landlords. The intimidating prospect of facing off against landlords and judges chills their pursuit of a remedy. These factors help to explain the paltry numbers of rent escrow actions filed by individual renters each year.



Data Source: Maryland Judiciary, <https://mdcourts.gov/district/about#stats>



SB946 addresses such obstacles by introducing a group filing procedure to the rent escrow law (Real Property § 8-211). By allowing tenants to join their interests together, this bill would have an enormous impact on tenants' ability to organize quickly and efficiently to compel landlords to make potentially life-saving repairs. SB946 would enable a single tenant to file a rent escrow case about building and unit conditions that other tenants with the same landlord facing similar conditions on the same property could join. Moreover, the bill ensures landlord accountability by enabling tenants to seek damages and attorney's fees from negligent landlords who refuse to make necessary repairs to uninhabitable conditions.

SB946 mirrors an existing procedure in New York City called the "group HP process," which routinely supports tenants in addressing harmful building conditions quickly and collectively in a summary process. Our organization supports the Tenant Safety Act because we believe Maryland renters deserve the same opportunity to build power for better housing.

SB946 supports tenant organizing for repairs to conditions that threaten life, health and safety

SB946 facilitates tenants in demanding necessary housing improvements that would benefit all Marylanders, renters and homeowners alike. The bill allows a group of tenants living on the same premises with the same landlord to ask the Court to order the landlord to make repairs to serious threats to life, health or safety.

In individual habitability actions, tenants face a massive power imbalance when seeking necessary repairs from their landlords. In response to an individual escrow filing, landlords can, and do, refuse to act or refuse to extend a tenant's lease. Landlords can also easily harass individual tenants, file an eviction, or unilaterally lock the tenant out, despite the fact that it is illegal to do so. In providing a group option for seeking repairs through the courts, SB946 reduces the likelihood of intimidation of individual tenants and ensures that those living in truly threatening housing conditions will have a fair shot at compelling negligent landlords to act in the interest of life, health and safety.

SB946 gives tenants more power to compel repairs by ensuring that tenants and courts can hold negligent landlords accountable

As it stands, the only remedies available to tenants that file rent escrow for repairs are rent abatement, distribution of escrow funds or an injunction 90 days after a court finding that the conditions complained of by the tenant exist. These remedies alone, however, have proven unavailing with numerous negligent landlords. There are also limited legal services available to support low-income tenants pursuing rent escrow, which means that tenants often must file on their own or forgo filing altogether.

SB946 strengthens the remedies available to tenants and ensures that tenants can hold landlords responsible for negligence and delay in a way that fully accounts for the harm they suffer. First, by providing groups of tenants with the opportunity to file together, tenants will be able to hold landlords accountable for the repairs they are already legally required to make. Second, the bill also codifies the already-existing implied warranty of habitability and clarifies an individual tenant's right to enforce it. Landlords are currently required to ensure their properties are suitable for human habitation, but



negligent landlords often freely collect rent without being held to this basic, common-sense standard. SB946 provides an important tool to hold these negligent landlords accountable. Finally, the attorney's fees provision increases the likelihood that tenants will be able to avail themselves of legal services, as they will be able to enlist attorneys whose practices depend upon the ability to recoup reasonable fees. Landlords are usually represented by attorneys in these matters, so this provision helps level the playing field.

SB946 promotes judicial economy by allowing tenants to address building or complex-wide conditions issues in a single case

SB946 also has the added benefit of allowing for resolution of tenants' conditions issues with the same landlord and increasing access to justice overall.

Currently, it is difficult for a group of tenants to bring an action against a landlord together. It is functionally impossible to bring an escrow case on behalf of a group of tenants because class actions are not permitted in District Court while rent escrow cases are within the exclusive jurisdiction of District Court. While joinder of tenants may be possible in some cases, it is not common in the current practice of the District Court. Instead, tenants on the same premises with the same landlord are generally required to file individual actions, with each tenant paying a filing fee and drafting a separate complaint. SB946 would explicitly provide a mechanism for tenants to raise related issues and conditions in a single, streamlined case in court, and provide tenants with better access to justice – a change that simply makes more sense.

Economic Action Maryland is a member of the Renters United Maryland coalition and asks that the Committee issue a report of FAVORABLE on SB946.

Sincerely,
Zoe Gallagher, Policy Associate