

REGIONAL MANAGEMENT INC.

Senate Bill 946
Landlord and Tenant - Failure to Repair Serious and Dangerous Defects
Tenant Remedies (Tenant Safety Act of 2024)
March 7, 2024

Position: Unfavorable

Regional Management, Inc, (RMI) is a property management company which has, for over 60 years, managed over 5,000 units of affordable, market rate, residential properties in Baltimore City and County. RMI is a founding member of the Maryland MultiHousing Association.

Senate Bill 946 would establish that a landlord who offers a residential dwelling unit for rent is now deemed to warrant the dwelling fit for human habitation. The bill adds to the list of what constitutes dangerous conditions and defects for which a tenant may obtain relief under the rent escrow statute by prematurely including “ the existence of mold hazards”, despite the fact that a report of this Legislature’s Mold Task Force is due in a few months. Senate Bill 946 purports to allow multiple tenants to “join” as Plaintiffs in a rent escrow or breach of warranty of habitability claim, despite the fact that the Maryland Rules on Joinder are available to them now, as long as they meet the standards set in the rule regarding joinder.

RMI opposes this bill because it seeks to dismantle Maryland’s long standing rent escrow procedure which balances the rights of tenants to live in housing free of serious and substantial defects with the responsibilities of landlords to supply such housing. It cuts by half the amount of rent that currently must be escrowed in the courts while the case is ongoing, upending the finely tuned balance established in rent escrow cases by two Gubernatorial Task Forces regarding Landlord Tenant Laws, leaving no mechanism for a Landlord to recoup the un-escrowed rent amount if the Landlord prevails. The bill’s “joinder” section seeks to create a different type of Joinder rule for rent escrow through a specialized type of multi-plaintiff litigation which circumvents Maryland’s current stringent judicial process regarding permissive joinder rules, usurping judicial discretion and upending the protections for both tenants and landlords through the escrow process.

For these reasons RMI asks for an unfavorable report

Respectfully Submitted,
Katherine Kelly Howard, General Counsel for RMI