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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. 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).

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, 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.

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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).