



HOMELESS PERSONS REPRESENTATION PROJECT, INC.

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SUPPORT – HB 1372 – Real Property – Residential Leases – Repair of Dangerous Defects and Failure to Pay Rent Hearing of the Environment & Transportation Committee, March 3, 2020

The Homeless Persons Representation Project, Inc. (HPRP) is a non-profit civil legal aid organization that provides free legal representation to people who are homeless or at risk of homelessness on legal issues that will lead to an end to homelessness. HPRP regularly represents tenants in failure to pay rent and rent escrow cases and other landlord-tenant matters in Baltimore City.

HB 1372 will reform the rent escrow process in Maryland to ensure that tenants statewide have a safe and healthy home.

Tenants seeking to utilize the rent escrow process are currently asked to pay large amounts of money in order to establish their rent escrow case. In Baltimore City Rent Court, for example, when a tenant raises the condition of their unit as a defense to a Failure to Pay Rent claim, the court often orders the tenant to pay the full amount alleged to be due and owing by the landlord into the escrow account at the outset of the case – before the property is inspected and before the court hears the rent escrow complaint. In other words, tenants must pay precisely what they believe is not owed, just to be heard by the court. This creates a so-called “pay wall” and is unique to rent escrow. A defendant in a credit card collections case, for example, is not required to pay the full amount alleged to be due by the credit card company in order to raise a defense and be heard on the matter in court. This presents a barrier to tenants accessing the courts.

HB 1372 seeks to right this wrong by clarifying that tenants do not need to pay all alleged back rent into an escrow account in order to have their case heard by the court. The bill would revise existing law to emphasize that there are two remedies available to tenants living with dangerous defects – (1) rent escrow, in which the tenant can seek repairs and reduction of rent and does not require the tenant to pay all alleged back rent into an escrow account prior to the case being heard and (2) an action for money damages against the landlord for breach of the warranty of habitability which does not require payment of funds into a court account. This represents a more equitable balancing of the interests of tenants and landlords.

HB 1372 will ensure that the over seven hundred thousand renter householders in Maryland have access to the rent escrow process to seek the remediation of dangerous threats to their life, health, and safety that exist in their homes. At HPRP, we understand how important and necessary it is for renters in Maryland to acquire stability in housing without sacrificing their safety and dignity. It is because of this that we support efforts to pass legislation related to expanding access to the courts without financially burdening low-income renters. HB 1372 is a strong step towards ensuring that Maryland renters are not forced to accept substandard living conditions due to their inability to afford access to the court.

HPRP urges a FAVORABLE REPORT WITH SPONSOR AMENDMENTS on HB 1372.

Please contact Carisa Hatfield, Homeless Persons Representation Project, at 410-685-6589 ext. 32 or chatfield@hprplaw.org with any questions.