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January 14, 2022

To: The Honorable Kumar Barve
Chair, Environment and Transportation Committee

From: Kira Wilpone-Welborn, Assistant Attorney General
Consumer Protection Division

Re: House Bill 86 – Landlord and Tenant – Residential Leases- Tenant Rights and Protection
(Tenant Protection Act of 2022) (SUPPORT)

The Consumer Protection Division of the Office of the Attorney General (the “Division”) supports House Bill 86 sponsored by Delegate Vaughn Stewart, which would enact a broad range of tenant protections in leasing residential realty. Specifically, House Bill 86 would require landlords to provide additional disclosures to tenants on ratio utility billing and security deposit deductions and would expand protections of renters who are victims of stalking and domestic violence.

Landlord-tenant complaints are consistently among the top consumer complaints received by the Division each year. Many of the complaints the Division receives address tenant concerns about utility billing and deductions made to their security deposits. The newly required disclosures and protections provided to Maryland consumers by House Bill 86 would assist the Division in attempting to mediate these types of complaints with consumers and their landlords.

The Real Property Article does not currently contain any provisions requiring landlords to inform prospective tenants of what the typical utility costs would be under a lease, even when the landlord is aware of the typical utility charges, service fees, and administrative fees charged to present and former tenants. The requirement in House Bill 86 that landlords disclose to prospective tenants the use of ratio utility billing, the methodology used to determine a tenant’s utility obligation, the average monthly bill in the preceding year, and the amount of any service or administrative fees charged would allow consumers to compare utility costs at rental units available in the market and better understand what their overall financial obligations would be under a particular lease. The bill’s required disclosures would also help prevent consumers from being surprised by utility costs after signing a lease.

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Since 2016, the Division has received over 1,100 complaints from Maryland consumers regarding the handling of their security deposits by their landlords, many of which concern deductions made from the deposit at the conclusion of a tenancy. Currently, landlords are only permitted to deduct an amount actually incurred from a held security deposit and must provide to tenants a list of damages to the rental unit and the cost incurred for repairs. Notwithstanding, landlords and tenants often dispute the nature of the damage and the cost expended to make any repairs. The requirement in House Bill 86 that landlords submit documentation (*i.e.*, invoices, receipts, bills, etc.) to support the costs actually incurred for repairs would better enable tenants to evaluate the propriety of deductions made from their security deposits and could help prevent or minimize disputes between landlords and their tenants in court or in complaints filed with the Division.

Finally, the Division supports the provisions of House Bill 86 that provide additional protections for victims of stalking and domestic violence. Allowing consumers who are victims of gender-based violence to terminate their lease agreement provides victims with additional remedies for securing their safety without additional financial burdens.

The Division requests that the Environment and Transportation Committee give House Bill 86 a favorable report.

cc: The Honorable Vaughn Stewart
Members, Environment and Transportation Committee