



**MARYLAND
LEGAL AID**

Advancing
**Human Rights and
Justice for All**

**STATEWIDE
ADVOCACY SUPPORT UNIT**

Cornelia Bright Gordon, Esq.
Director of Advocacy
for Administrative Law
(410) 951-7728
cbgordon@mdlalab.org

Gregory Countess, Esq.
Director of Advocacy
for Housing & Community
Economic Development
(410) 951-7687
gcountess@mdlalab.org

Anthony H. Davis, II, Esq.
Director of Advocacy
for Consumer Law
(410) 951-7703
adavis@mdlalab.org

Erica I. LeMon, Esq.
Director of Advocacy
for Children's Rights
(410) 951-7648
elemon@mdlalab.org

February 8, 2022

The Honorable Kumar P. Barve
Environment & Transportation Committee
Room 251, House Office Building
Annapolis, Maryland 21401

RE: Maryland Legal Aid Written Testimony in Support of HB 392– Landlord and Tenant - Failure to Repair Serious and Dangerous Defects - Tenant Remedies (Tenant Justice Act)

Dear Chair Barve and Members of the Committee:

Thank you for the opportunity to testify in support of HB 392. Maryland Legal Aid (MLA) is a non-profit law firm that provides free legal services to the State's low-income and vulnerable residents. MLA's 12 offices serve residents in each of Maryland's 24 jurisdictions. MLA handles various civil legal matters, including family law, housing, public benefits, consumer law (e.g., bankruptcy and debt collection), and criminal record expungements to remove barriers to obtaining child custody, housing, a driver's license, and employment. Maryland Legal Aid supports HB 392 and asks that the committee give it a favorable report with the amendments outlined below.

This letter serves as notice that Harrison Mont, Esq. will testify in support of House Bill 392 on behalf of MLA at Delegate Vaughn Stewart's request. This bill will allow a group of tenants or a tenant organization to use the rent escrow statute to compel the landlord to remove and/or repair dangerous conditions. In addition, it allows individual tenants to seek remedies on behalf of a group of similarly situated tenants. Lastly, HB 392 allows a tenant to seek damages and attorney fees.

When a tenant discovers a dangerous condition within their home, the process of getting that condition repaired is often long and arduous. First, the tenant must wait a reasonable amount of time for the landlord to make repairs, generally 30 days. Should the landlord fail to make those repairs, the tenant can ask the Court to put their rent into an escrow account. The tenant must continue to pay rent into the escrow account as it becomes due and owing until the case is resolved. The tenant must maintain the escrow account without any consideration regarding expenses incurred by the tenant due to the continued presence of the dangerous

EXECUTIVE STAFF

Wilhelm H. Joseph, Jr., Esq.
Executive Director

Stuart O. Simms, Esq.
Chief Counsel

Gustava E. Taler, Esq.
Chief Operating Officer

Administrative Offices
500 East Lexington Street
Baltimore, MD 21202
(410) 951-7777
(800) 999-8904
(410) 951-7778 (Fax)

www.mdlalab.org
04.2021



condition. The court then schedules a hearing, followed by ordering an inspection of the property, and finally, the court sets another hearing. If the inspector finds dangerous conditions, the court repeats the process, hoping the landlord repairs the dangerous condition before the next inspection. This slow-moving process continues until the property passes inspection, at which time the judge decides how to disperse the escrow funds. If the landlord continuously fails inspection, the judge also can terminate the lease.

Maryland's rent escrow scheme favors the landlord and does not lead to long-lasting repairs. Although judges can abate rent and/or return the escrowed rent to the tenant or equitably split the rent, in most cases, the judge returns all the money to the landlord. Based on the experiences of MLA advocates representing tenants, the court tends only to return the escrowed money to the tenant when there is blatant landlord misconduct. Meanwhile, the court does not consider all the tenant's costs due to dangerous conditions such as hotel stays, moving costs, doctor's visits, time off work. This places a heavy burden of escrow on the tenant and provides no incentive for negligent landlords to maintain their property or repair dangerous conditions. In addition, the Court often dismisses many escrow actions before the conditions are genuinely cured. Because the landlord needs only to pass one inspection in one unit, many landlords do temporary patch-up jobs. These temporary fixes are only enough to pass inspection at that moment but not enough to fix the dangerous condition permanently. Additionally, in cases such as rodent infestation, treatment of one unit does not correct the issue throughout the building, causing the issue to reoccur in the treated unit, creating a system where a tenant needs to continuously refile escrow actions as conditions revert to their deteriorated state.

House Bill 392 corrects many of the issues with the rent escrow process, creating a much-improved and fair mechanism for tenants to remove dangerous conditions from their homes. This bill creates an escrow system that is better equipped to deal with unit-wide issues by empowering tenant communities. Instead of the old system, which requires each tenant in a complex to file an escrow action for their unit, this bill empowers tenant organizations to file when more than one unit is impacted. This allows the court to ensure the dangerous condition is removed from the whole building, not just abated in one unit for a short enough period to pass inspection. This bill also allows a tenant to seek escrow remedies on behalf of a group of similarly situated tenants or tenant organizations, which further incentivizes tenants to use escrow to fix their building, not just in their particular units. By allowing a successful tenant to recover damages and attorney's fees, this bill removes much of the burden placed on tenants when filing valid rent escrow actions while incentivizing landlords to make repairs quickly. In short, HB 392 would vastly improve the ability of tenants to ensure the safety of their homes and improve the habitability of housing throughout the state.

Thank you for considering this written testimony. For the reasons stated above, MLA urges a favorable report on HB 392.

/s/ Harrison Mont

Harrison Mont, Esq.
Staff Attorney
410-951-7748
hmont@mdlab.org