INTRODUCTION OF H.797 TO THE GENERAL HOUSING & MILITARY AFFAIRS COMMITTEE By Representative Tommy Walz

February 10, 2016

Purpose of the Bill: to address two specific issues in current landlord-tenant statutes concerning equity and good business practices.

Bill Walkthrough

The bill proposes two amendments to current statute.

The Landlord's Obligation to Address Habitability

When the unit has been declared uninhabitable, the landlord may enter between the hours of 9:00 AM and 9:00 PM with one hour's notice to either inspect the premises or correct the problem.

Payment of Accrued Rent into Court.

Allows the landlord to collect rent accrued before the date a complaint of ejectment was filed with the court.

Reasons for Offering the Amendments

Habitability

Under the "quiet enjoyment" principle, a landlord normally can enter a rental unit only with the tenant's permission. Current statute allows two exceptions:

- 1. A landlord may enter the unit without the tenant's permission to inspect the premises or make repairs between the hours of 9:00 AM and 9:00 PM **and** after giving 48 hours' prior notice.
- 2. If the landlord reasonably believes there is imminent danger to persons or property, he/she can enter without prior notice.

The two conditions above still apply when the dwelling has been declared uninhabitable. Yet statute and local ordinances require landlords to comply with habitability standards. There are tenants who have had their units declared uninhabitable, yet do not allow the landlord entry to fulfill his/her obligation to comply with the law. The tenant can also withhold rent for the time period in which the unit is uninhabitable.

The landlord is faced with two illogical consequences: not being able to comply with his/her legal obligation, and not being allowed to correct a problem that is resulting in a loss of income. Some tenants make that time period last weeks and even months.

Payment of Rent into Court

When a complaint of ejectment has been filed with the court, statute now also allows a landlord to file for a rent escrow account with the court. The tenant pays rent to the court instead of to the landlord. However, it currently applies only to rent coming due as of the date of the filing and thereafter and does not address accrued rent already owed the landlord.

Nonpayment of rent is a major reason for filing a complaint of ejectment, and many landlords will wait for several months before beginning the ejectment process. As the statute is currently written, landlords have no recourse other than filing a separate suit to recover the accrued rent, adding to legal expenses and court time for both parties. This amendment expands the process that is already available to also apply to rent due before the filing date.

All too often, landlords now take such accrued rent as a loss, and that can be of great significance to "mom and pop" landlords who do not have the financial resources to file a suit and may face a loss of their property.

When consumers do not pay for goods and services received, it is normally regarded as theft. It makes no sense to have different expectations in landlord-tenant business agreements. The existing mechanism for making amends resolves the issue with a slight adjustment in language.

I urge your support of the bill in the name of common sense.