

February 23, 1999

BILL ANALYSIS

TO: Members, Committee on Economic Development, Housing, and Trade
FROM: Kenny Pittman, Research Analyst (786-7392)
RE: **HB 1769 - Effectuating repairs to residential rental property.**

Brief Summary of Bill

- Revises the repair and deduct limits under the Residential Landlord-Tenant Act.
- Revises the time period that the landlord has to make repairs to defective conditions.

BACKGROUND:

The Residential Landlord-Tenant Act governs residential rental situations between the property owner (landlord) and the renter (tenant). The act lists several general provisions, defines duties of the landlord and the tenant, provides remedies for the landlord and the tenant, and makes mediation and arbitration available.

Landlords are required to take action within 24 hours if the defective condition deprives the tenant of hot or cold water, heat, or electricity. The landlord must take action within 72 hours if the defective condition deprives the tenant of the use of the refrigerator, range and oven, or major plumbing fixture. The landlord must take action within 10 days in all other cases.

The tenant may make repairs under the repair and deduct provisions if the landlord does not make the repairs within the specified time period. The tenant may provide the landlord with a good faith estimate of the repair and then contract to have the repair done. This remedy is

limited to one month's rent per repair and two month's rent per year. If the cost of the repair is less than one-half month's rent, the tenant may make the repair after the time period for the landlord to begin making the repair has expired; no estimate is necessary and the repair cost is limited to one-half month's rent per repair and one month's rent per year.

SUMMARY:

The Residential Landlord-Tenant Act provisions are revised regarding repairs to residential property and tenant repair remedies.

The time periods for repairs that must be made by the landlord are revised as follows:

- The list of items that must be repaired within 24 hours to correct defective conditions is expanded to include conditions that deprives the tenant of gas, septic or sewer service, defective or inadequate doors, locks, or windows, or conditions that are substandard and dangerous or that endangers the safety, health, or property of tenants.
- The time period for repairs to appliances or major plumbing fixtures supplied by the landlord is reduced from 72 hours to 48 hours.
- The time period of all other repairs is reduced from 10 days to 5 days.

The amount that a tenant can deduct from the rent to pay for the necessary repairs to the property is revised as follows:

- The amount that a tenant can deduct from rent for repairs not made by the landlord is expanded to include the greater of one month's rent of \$1,200 per repair. The total amount that can be deducted in any 12 month period is revised to an amount not to exceed the greater of two month's rent or \$2,400. Repairs that must be made within 24 hours are not are not subject to repair and deduct limits.
- The threshold for repairs that do not have to be performed by a licensed or registered person is increased from one-half month's rent to an amount that does not exceed the greater of one month's rent or \$600 per repair. The total amount that can be deducted in any 12 month period is increased from one month's rent to an amount not to exceed the greater of than two month's rent or \$1,200. Repairs that must be made within 24 hours are not subject to the repair and deduct limits.

The rent escrow process to address conditions that are substandard and dangerous to the health and safety of tenants is revised. The tenant may access moneys in the rent escrow account to make repairs if the landlord has not made the repairs within 90 days of certification of a substandard and dangerous condition by the local government. The tenant may use the moneys to make the necessary repairs or to pay utility services that are an obligation of the landlord.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: Ninety days after adjournment of session in which bill is passed.