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March 16, 2025

To Honorable Representative Robert E. Craven, Sr. Chair, House Judiciary Committee Rhode Island State House Providence, RI 02903

VIA Email: <u>HouseJudiciary@rilegislature.gov</u>

RE: Letter in OPPOSITION to House Bill No. 5921

Dear Members of the House Judiciary Committee,

On behalf of the Rhode Island Coalition of Housing Providers, we urge you to oppose H5921, which would allow tenants to withhold rent and place payments into an escrow account if a housing code enforcement officer issues a second notice of violation. This bill also grants the court the authority to award the escrowed rent to the tenant as an abatement, raising serious concerns about fairness, financial stability, and the unintended consequences of such a policy.

Without steady rental income, landlords may struggle to cover essential costs such as mortgages, property taxes, and property maintenance. Ironically, this bill could make it even harder for landlords to address the very violations cited, potentially worsening housing conditions rather than improving them. This financial instability could push more landlords out of the market, ultimately reducing the availability of rental housing.

The bill also lacks safeguards against potential abuse, as some tenants may exaggerate minor issues to justify withholding rent. This could lead to unnecessary disputes, costly legal battles, and delays in resolving legitimate concerns. Furthermore, existing laws already provide tenants with sufficient options to address unresolved code violations, such as reporting landlords to housing authorities or seeking legal remedies. Adding another layer of regulation is unnecessary and redundant.

Additionally, the bill fails to provide clear guidelines on how the escrow process would be managed. Who establishes and oversees these accounts? Who determines when and how funds can be accessed? The lack of clarity on these critical details creates legal uncertainty and operational challenges for landlords. Inconsistent enforcement could further complicate the issue, making it difficult for property owners to determine when rent withholding is legally justified.

While we support efforts to ensure safe and habitable housing, this bill creates more problems than it solves. It risks destabilizing the rental market, discouraging property investment, and making it harder for landlords to operate successfully. For these reasons, we strongly urge you to oppose H5921 and instead pursue policies that promote accountability without imposing undue burdens on property owners.

Sincerely,

Rhode Island Coalition of Housing Providers