

Alabama's 2006 Landlord-Tenant Law

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Recent passage of the Alabama Uniform Residential Landlord and Tenant Act of 2006 capped a 13-year effort by Arise and other advocates to define the rights of renters in the state. This fact sheet describes the history of that effort and outlines the law's provisions regarding both tenants and landlords.

From "extreme" to mainstream

Arise members first made tenants' rights a legislative priority in 1993. That year, Arise introduced the Alabama Residential Warranty of Habitability bill to require that landlords maintain rental dwellings in a safe and livable condition. That first bill saw no committee action in the Legislature, but Arise continued to promote a landlord-tenant law in subsequent sessions. Each year, the Alabama Association of Realtors actively opposed the measures, portraying them as unnecessary and extreme.

Following the 2001 session, legislative leaders asked the Alabama Law Institute (ALI) to draft a bill acceptable to both the industry and tenant advocates. ALI assembled a distinguished panel of law professors and practitioners to hammer out the Alabama Uniform Residential Landlord and Tenant Act, first introduced in 2003. The committee used as its guide the Uniform Residential Landlord-Tenant Act drafted in 1972 and later adopted in 20 states. Arise and other advocacy groups, as well as the Home Builders Association, endorsed the measure, but the Realtors continued their opposition.

Keywords

Alabama Law Institute (ALI) – advisory body established by the Legislature in 1967 “to bring the law of the state, both civil and criminal, into harmony with modern conditions” by revising laws that are out-of-date and recommending new laws to address issues not adequately covered.

exculpatory clause – wording in a contract that excuses one party from liability in the event of failure to comply with the contract.

habitability – the extent to which a dwelling is fit to be occupied. In a warranty of habitability, the landlord promises in the lease agreement that the premises will be reasonably fit for occupation.

injunctive relief – action by a court to stop an unlawful activity or to require a restorative measure, such as payment of damages.

retaliatory action – something done as punishment in return for another action.

security deposit – an amount paid up front by a tenant to a landlord to be forfeited, if necessary, to pay for damages.

In 2004, advocates formed a loose-knit coalition to back the ALI bill as the proposal fairest to both parties in the rental relationship. Also that year, the Alabama Appleseed Center for Law and Justice released a 50-state survey of landlord-tenant law. The Appleseed study revealed that the rights that advocates were seeking for Alabama tenants – and that Realtors had labeled “extreme” – were the norm in other states. In addition, the study showed that Alabama stood alone in failing to provide *any* statutory protections to tenants. Advocates now had compelling evidence to refute the landlords' objections.

Arguably, though, the development that brought landlord representatives to the negotiating table was the move by some municipal governments to enact local landlord-tenant ordinances in the absence of a state law. The industry now faced the possibility of a statewide patchwork of local ordinances containing varied requirements, rights and enforcement procedures, some of them more stringent than the ALI bill's provisions.

The final legislation was a hard-won compromise between advocates and the industry. Landlord representatives insisted that the state legislation preempt local ordinances and streamline evictions; advocates insisted on an enforceable warranty of habitability and protections allowing tenants to end rental agreements without penalty when required repairs are not made promptly. In gaining these provisions, both sides gave up others.

Highlights of the new law

Act 2006-316, the Alabama Residential Landlord Tenant Act, applies to rental agreements entered into or renewed after January 1, 2007. The law provides new obligations and protections for both landlords and tenants.

The new law requires the landlord to:

- Ensure that the rental unit complies with all applicable building and housing codes that materially affect health or safety, keep common areas clean and safe, and make all repairs necessary to keep the property in a habitable condition;
- Maintain in good working order all electrical, plumbing, sanitary, heating, ventilating and air conditioning systems;
- Provide and maintain appropriate receptacles for garbage removal;
- Supply running water and hot water and provide a source of heating for the dwelling;
- Limit security deposits to no more than one month's rent (unless an additional fee is required for pets or provided furnishings) and return those funds or provide an accounting within 35 days of the termination of the rental

agreement. If the landlord fails to meet this time requirement, he or she must pay the tenant double the amount of the original deposit;

- Provide at least two days' notice of intent to enter the rental unit except in an emergency.

In addition, the law prohibits the use of certain kinds of provisions in rental agreements. Effective January 1, 2008, a tenant may recover actual damages up to one month's rent and attorney fees if an executed agreement contains any of the following:

- Provisions requiring or allowing the tenant to waive the requirements related to habitability or security deposits;
- Provisions requiring the tenant to pay attorney fees or the costs of collecting rent; or
- **Exculpatory clauses** that limit the liability of the landlord.

The new law requires the tenant to:

- Pay the agreed-upon rent; there are no provisions that allow the tenant to withhold payment of rent to enforce any provisions of the law;
- Comply with building and housing codes that govern matters of tenant responsibility (for example, automobile abandoned on the lawn);
- Keep the premises as clean and safe as conditions permit;
- Dispose of garbage and rubbish in a clean, safe manner;
- Keep all plumbing fixtures as clear as their conditions permit;
- Use all electrical, plumbing, sanitary, heating, ventilating and air conditioning systems in a reasonable manner;
- Refrain from deliberately or negligently destroying or damaging any part of the dwelling and from knowingly, recklessly or negligently permitting any person to do so;
- Avoid conduct (by the tenant or others on the premises with the tenant's consent) that would disturb the neighbors;
- Allow reasonable access to the landlord to enter the dwelling to inspect the condition of the dwelling or to make necessary repairs.

If a landlord fails to maintain the dwelling in a habitable condition, the tenant may provide written notice of intent to terminate the rental agreement after 14 days following receipt of the notice. If the landlord makes the necessary repairs within that time, the rental agreement continues to be enforceable. If, however, the landlord fails to make the required repairs, the rental agreement

terminates at the end of the 14 days, and the landlord must return the security deposit and any prepaid rent.

Either landlords or tenants may recover actual damages and obtain injunctive relief should the other party breach their obligations under the statute. In addition, prevailing parties may be awarded attorney fees.

The law provides that the landlord's rules or regulations are enforceable only if the rules' purpose is to promote the convenience, safety or welfare of the tenants or to protect the property from abuse. Such rules can be enforced upon the tenant only if he or she was made aware of the rule at the time of entering into the rental agreement, and if the rule applies to all tenants. Any substantial new rule is valid only with the tenant's written consent.

The law also prohibits retaliatory action by a landlord.

A landlord is prohibited from increasing rent, decreasing services or threatening eviction because a tenant complains to either the landlord or a governmental agency about the violation of the habitability provisions of the law. Should the landlord retaliate against the tenant, the tenant may seek legal action and recover an amount of up to three months' rent or actual damages (whichever is greater) and reasonable attorney fees.

Prior to the new law, the process for eviction varied from court to court around the state. One of the goals of landlords in negotiating this statute was to put into place a consistent, streamlined process for all of Alabama. Under the law, a landlord must provide seven days' written notice of an intent to evict for non-payment of rent (14 days' written notice is required for an eviction for other reasons). If the tenant has not complied in the specified time, the landlord may then file with the court an action for eviction. Upon formal notice of this filing, the tenant has seven days to file an answer to the court. Once the court has ruled, any appeal of the ruling must be filed within seven days.

Arise and other tenant advocates have long held that most landlords in the state deal with their tenants fairly as a matter of good business. There are, however, many unsafe and uninhabitable rental dwellings. The Alabama Uniform Landlord and Tenant Act protects both parties in rental agreements and offers the promise of improving the stock of available rental property for the state's 500,000 renting households.

This fact sheet was prepared by policy analyst Ron Gilbert and publications director Jim Carnes. It may be reproduced with acknowledgment of Arise Citizens' Policy Project, P. O. Box 1188, Montgomery, AL 36101; (800) 832-9060; www.arisecitizens.org

To read the full text of the Alabama Uniform Residential Landlord and Tenant Act of 2006, visit www.arisecitizens.org and click on "Landlord Tenant Law."