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SB 504 - Landlord and Tenant - Residential Leases and Holdover Tenancies - Local Just Cause Termination Provisions

**Hearing before the Judicial Proceedings Committee,
March 7, 2023 at 1:00PM**

Position: FAVORABLE

Public Justice Center (PJC) is a nonprofit public interest law firm that assists over 800 renters each year. We stand with tenants to protect and expand their rights to safe, habitable, affordable, and non-discriminatory housing.

SB 504 is enabling legislation that would give clear legislating power to Maryland counties to establish “just cause” or “good cause” limitations on lease non-renewals. This bill expressly grants authority to counties to decide when it is appropriate for rental agreements to be non-renewed. That means local policymakers would be able to determine the kind of “just cause” policy their locality needs, whether by type of building, for certain populations, or under certain circumstances such as a state of emergency. Without SB 504, local efforts are stymied by legal concerns around preemption. We urge the Committee to move SB 504 favorably so that local government can act with clear authority on this issue.

American Bar Association Supports “Just Cause” Eviction Policy

Just last year (Feb. 2022), the American Bar Association (ABA) endorsed “just cause eviction” policies as one of [“Ten Guidelines for Residential Eviction Laws.”](#) As reported in the ABA resolution:

When such good cause requirements are absent renters and their families lack basic security of tenure. Forcing a household to relocate imposes significant disruption and potential hardship on the tenant, and should not be allowed without a legitimate reason. Allowing eviction without cause invites abuse, enabling a

discriminatory, retaliatory, or otherwise illegitimate motive for ending a tenancy to be easily concealed behind a “no cause” eviction.

American Bar Association, House of Delegates Resolution 612, 9-10. The ABA urges all federal, state, local governmental bodies to implement “just cause eviction” as part of the Ten Guidelines for Residential Eviction Laws.

What is “just cause” policy?

When it comes to lease non-renewals, Maryland is currently a "no cause" state – that is, a landlord can decide to non-renew without any stated cause. This means that working people and their children face the constant threat of displacement, even when they follow all the rules. They are under constant pressure to accept declining conditions and increasing rents just to stay in their communities.

SB 504 enables Maryland counties to pass local "just cause" laws that limit lease non-renewals. "Just cause" means that a landlord must have an acceptable reason for choosing not to renew an expiring lease. SB 504 defines what “just cause” is, but does not impose specific contours for just cause to permit counties to decide. Instead, SB 504 provides a list of options for what “just cause,” as adopted by a county, may include, such as substantial lease violations, illegal activities, removal of the property from the market, or personal use of the property by the owner. HB0684’s list reflects the policies other U.S. jurisdictions that have enacted just cause policy. *To be clear, this is a list that localities are free to adopt or change, as localities see fit.*

Where is the interest in “just cause eviction”?

Since 2008, just cause eviction legislation has been introduced 8 times – including multiple statewide bills, as well as bills specific to Prince George’s County and Montgomery County. During the COVID-19 state of emergency, Howard County unsuccessfully attempted to prohibit lease non-renewals while Baltimore City passed a short-term provision to require just cause for lease non-renewals until 6 months after the state of emergency’s end. These efforts demonstrate a sustained desire in Maryland localities for just cause policies.

Washington State (2021), Washington, D.C. (since 1985) and Philadelphia (since 2018) have adopted just cause eviction policies, and the state of New Jersey, too (since 1974). New Jersey’s policy endeavor over many decades demonstrates that the benefit of just cause far outweighs the hypothetical that it hurts development. [“Something in the Garden State is clearly working. According to data from the Eviction Lab, New Jersey cities such as Trenton, Paterson, Jersey](#)

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[City, and West New York have among the lowest eviction rates in the country. Meanwhile, construction is absolutely exploding.](#)"

Additionally, looking at 4 localities in California, a [2019 Princeton/Eviction Lab](#) study finds that "just cause eviction ordinances have a significant and noticeable effect on eviction and eviction filing rates. Given the budget limitations of many states and municipalities to fund other solutions to the eviction crisis, passage of just cause eviction ordinances appears to be a relatively low-cost, effective policy solution."

Maryland's current retaliation law does not fully protect tenants.

Maryland's existing protection against retaliatory lease terminations (Real Property § 8-208.1), while helpful, has numerous shortcomings:

- The list of protected activities includes only specific activities like complaining about the condition of the property.
- If the tenant's protected activity occurred more than 6 months before the eviction action, or the tenant is not current on rent, then the tenant has no defense.
- The renter has the burden to prove the landlord's motive in a court process that does not allow discovery or time to subpoena records or witnesses.
- Landlords argue that the protections do not apply to the renewal of one-year leases

For many renters, the current retaliation law offers no protection. SB 504 allows localities to establish wider protection through just cause requirements. Landlords would still evict tenants for legitimate reasons such as breach of lease. They would not, however, evict tenants arbitrarily or out of retaliatory motive.

SB 504 recognizes that local legislatures want to aid their renters in achieving stable housing so that they are able contribute long-term to the workforce and the local economy. Requiring just cause as a precondition for an eviction can be a tailored policy that boosts the stability of the housing market by stabilizing families, neighborhoods, and communities. HB0684 ensures local legislatures can pass enforceable laws whereby no one is arbitrarily deprived of their housing.

Public Justice Center is a member of the Renters United Maryland, a statewide coalition of renters, organizers, and advocates, and **we urge the Committee's Favorable Report on SB 504.**