SB0504-FAV-AnnaLevy_03-07-2023.pdf Uploaded by: Anna Levy

Anna T. Levy Rockville, MD 20852

March 7, 2023

TESTIMONY ON BILL SB0504 – Position: FAVORABLE Landlord and Tenant – Residential Leases and Holdover Tenancies – Local Just Cause Termination Provisions

TO: Chair Smith, Vice Chair Waldstreicher, and Members of the Senate Judicial

Proceedings Committee

FROM: Anna T. Levy

My name is Anna T. Levy, a resident of Rockville, MD, District 16. I am submitting this testimony in support of SB0504, Landlord and Tenant - Residential Leases and Holdover Tenancies - Local Just Cause Termination Provisions.

Safe and stable housing has far reaching economic, health, and social benefits to individuals, families, and communities, and is key to reducing racial inequities. Renters routinely have little agency when faced with threats to maintaining stable housing. As a Jewish person, I am taught that all people should have *dei machsoro*, resources sufficient for each person's needs. (Deut. 15:7-8) The home is a critical source of stability for individuals and families. It provides a nexus for social interactions for families, friends, and communities. We know from published research, including that of Matthew Desmond and Princeton's Eviction Lab, that the disruption resulting from evictions contributes to long term physical, psychological, educational, and economic damage that can condemn people to poverty and destabilize communities.

Evictions create significant costs for state and local government related to funding for shelter and education, as well as health care provided in hospitals instead of by community—based providers, transportation costs for homeless youth, and foster care. Notably, evictions have a disparate impact on Black and brown households in Maryland. Decreasing the number of evictions would help to reduce significant racial inequities and strengthen the financial status of individuals and our communities. Thus, we have an obligation to make sure that people can stay in their homes.

There are valid contractual reasons for non-renewal of rental leases. Bill SB0504 would enable local jurisdictions to protect tenants who are fulfilling their contractual obligations so that they can continue to maintain a safe and stable home. Currently, landlords can decide not to renew a tenant's lease for any reason, even when a tenant fully meets their rent and fee obligations and adheres to the terms of their lease. This means that a landlord can force out a tenant who complains about unsafe or unhealthy conditions or because the landlord wants to dramatically raise rents. SB0504 does not negate a landlord's right to not renew the lease of disruptive or delinquent tenants. It simply protects tenants who are doing the right thing to stay in their homes by requiring landlords to provide a just cause for non-renewal of a lease.

SB0504 grants authority to counties and local policymakers to determine the appropriate "just cause" policy to meet the needs of their locality. The bill defines "just cause", but rather than

imposing specifics, provides a list of what a county might include. The options included reflect policies that have been enacted in other U.S. jurisdictions. Just cause eviction legislation has been introduced numerous times in different Maryland counties, including Montgomery County, where I live and where it has previously been supported by the Montgomery County Council and the Montgomery County legislative delegation. Requiring just cause as a precondition for an eviction can be a policy that boosts the stability of the housing market by stabilizing families, neighborhoods, and communities to the benefit of all.

I respectfully urge a favorable report from the Committee in support of passage of SB0504.

SB0504 - RUM Just Cause Testimony_LCCR (2023) FINA Uploaded by: Anneke Dunbar-Gronke



SB0504 - Landlord and Tenant - Residential Leases and Holdover Tenancies - Local Just Cause Termination Provisions

> Hearing before the Senate Judicial Proceedings Committee, Mar. 7, 2023 at 1:00PM

> > **Position: SUPPORT (FAV)**

The Lawyers' Committee for Civil Rights Under Law ("Lawyers' Committee") is one of the nation's leading racial justice organizations. Formed in 1963 at the request of President John F. Kennedy, the Lawyers' Committee uses legal advocacy to achieve racial justice, fighting inside and outside the courts to ensure that Black people and other people of color have the voice, opportunity, and power to make the promises of our democracy real.

Accordingly, I submit this testimony to articulate the Lawyers' Committee's support for SB0504—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 SB0504, local efforts to best meet the needs of the local population are stymied by legal concerns around preemption. We urge the Committee to report SB0504 favorably so that county governments can act with clear authority on this issue.

SB0504 enables counties to pass just cause laws but does not impose just cause statewide

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.

SB0504 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. SB0504 defines what "just cause" is but does not impose specific contours for just cause to permit counties to decide. Instead, the SB0504 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. SB0504'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.*

Just cause protections stabilize communities without disrupting development

The resounding conclusion of the academic literature on the topic has found that just cause laws have a tremendous effect on lowering the number of evictions in a locality and ensuring low-income tenants have housing stability. Looking at 4 localities in California, for example, a 2019 Princeton/Eviction Lab study found 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."

The concern that just cause protections hurt development, additionally, are baseless. Seattle's occupied rental unit count continued to increase uninterrupted after the passage of the just cause law in 1980 and, in fact, began increasing at a faster rate after 2008.³ New Jersey has had a just cause law on the books since the mid-1970s and currently reports one of the most robust real estate development markets in the country, with Hudson County reporting permits for twice as many housing units per capita than New York City between 2010 and 2018 and suburbs that permit 3X as many homes per capita as in New York. Indeed, when asked about the just cause law, New Jersey developers report that the law has not prevented them from setting rents at the rates that they need to for business purposes and identify just cause to be at the bottom of the list of their concerns regarding development.⁴ In addition, Washington, D.C. has had just cause protections since 1985 and Philadelphia has had such protections since 2018 but renter-occupied housing units have only increased in the last 5 years. **Between 2018 and 2021 alone, in fact, the**

See Katie Wilson, *Do renter protections reduce the rental housing supply?*, Crosscut, Jun. 23, 2021, https://crosscut.com/opinion/2021/06/do-renter-protections-reduce-rental-housing-supply.

See Julieta Cuellar, Effect of "Just Cause" Eviction Ordinances on Eviction in Four California Cities, PRINCETON J. OF PUBLIC AND INT'L AFFAIRS, May 21, 2019, https://jpia.princeton.edu/news/effect-just-cause-eviction-ordinances-eviction-four-california-cities; Karen Chapple & Anastasia Loukaitou-Sideris, White Paper on Anti-Displacement Strategy Effectiveness, CAL. AIR RESOURCES BD., Feb. 28, 2021, https://ww2.arb.ca.gov/sites/default/files/2021-04/19RD018%20-%20Anti-Displacement%20Strategy%20Effectiveness.pdf.

See Cuellar, supra note 1.

Henry Grabar, *New York Needs to Learn a Housing Lesson From . . . New Jersey?*, SLATE, Feb. 8, 2022, https://slate.com/business/2022/02/new-york-good-cause-eviction-new-jersey-housing.html.

number of renter-occupied housing units is estimated to have increased from 287,543 to 311,986 (8.5%) in Philadelphia and from 165,936 to 186,629 (12%) in Washington, D.C, while the national renter-occupied housing rate increased only .7%.⁵ Clearly, just cause protections have not prevented increases in renter-occupied housing and the opportunity for counties to increase community stability and decrease evictions should not be blocked based on an unsupported suspicion that just cause protections deter development.

County governments know best whether their local communities need just cause

Since 2008, just cause eviction legislation has been introduced in 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. SB0504 recognizes that county 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. SB0504 ensures local legislatures can pass enforceable laws whereby no one is arbitrarily deprived of their housing.

Lawyers' Committee for Civil Rights Under Law is a member of the Renters United Maryland, a statewide coalition of renters, organizers, and advocates, and we urge the Committee's report of Favorable on SB0504.

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⁵ U.S. CENSUS BUREAU, 2018: ACS 1-Year Estimates Detailed Tables, Table b25032 – Tenure by Units in Structure, Washington City, Philadelphia City & United States,

https://data.census.gov/table?q=b25032&g=0100000US_1600000US1150000,4260000&tid=ACSDT1Y2018.B250 32; U.S. CENSUS BUREAU, 2021: ACS 1-Year Estimates Detailed Tables, Table b25032 – Tenure by Units in Structure, Washington City & Philadelphia City,

 $https://data.census.gov/table?q=b25032\&g=0100000US_1600000US1150000, 4260000\&tid=ACSDT1Y2021.B25032.$

Copy of Just Cause Eviction Testimony.pdf Uploaded by: Bonnie Weissberg

March 6, 2023



Dear Members of the Judicial Proceedings,

This testimony is being submitted by Showing Up for Racial Justice
Baltimore, a group of individuals working to move white folks as part of a multi-racial movement for equity
and racial justice in Baltimore City, Baltimore County, and Howard County. We are also working in
collaboration with CASA de Maryland and Renters United.

I am a resident of District 41. I am testifying in support of SB0504.

Landlords should have a just basis for non-renewing leases or cutting off month-to-month/week-to-week leases. Tenants who follow the rules should not face lease terminations for "no cause." This legislation would enable local legislatures to pass their own laws, if they choose, that limit how and when lease non-renewals occur, require landlords to have a just cause to non-renew, or require landlords to prove a just cause in court.

Note, this is an enabling bill, so it just gives local jurisdictions the opportunity to pass these bills if they want, so you can also come at this from a local rights perspective if you really want to.

We frequently see landlords across the state choosing to evict good tenants just to make a larger profit or in retaliation for organizing, and this bill would ensure that counties interested in protecting tenants from unjust non-renewals are able to do so.

I am encouraging you to vote in support of SB0504.

Thank you for your time, service, and consideration.

Sincerely,
Bonnie Weissberg
1704 Mt. Washington Ct., Apt. H
Baltimore, MD 21209
Showing Up for Racial Justice Baltimore



Local Enabling Legislation for Just Cause Eviction

Delegate Jheanelle Wilkins reference HB881 in 2022

When it comes to lease non-renewals, Maryland is 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, and must accept declining conditions and increasing rents just to stay in their communities.

This legislation enables Maryland counties to pass local "just cause" policies for lease non-renewals. "Just cause" means that a landlord may choose not to renew an expiring lease only if there is an acceptable basis for that decision. This bill gives local legislatures the power to decide what's acceptable and when.

Without this bill, jurisdictions like Montgomery County and Baltimore City face preemption challenges to their local efforts to stabilize rental housing through just cause policies.



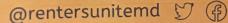
During the COVID-19 pandemic, as court delays and emergency rental assistance slowed the pace of non-payment eviction filings, evictions based on lease non-renewal roughly doubled.

With more tenants organizing and demanding repair and safe, healthy living conditions, landlords have retaliated with unjust and discriminatory lease nonrenewals.

Requiring just cause as a precondition for an eviction is a limited requirement which boosts the stability of the market by stabilizing families, neighborhoods, and communities to ensure that no one is arbitrarily deprived of their home.

Cities such as Oakland, Washington, DC, and Philadelphia have adopted just cause eviction policies. This legislation recognizes that local legislatures know how best to help their renters stay stably housed and able to contribute to the workforce and the economy.

Renters United Maryland is a coalition of advocates, organizers, policymakers and renters. To learn more about







SB0504-JPR-FAV.pdfUploaded by: Brandon Scott Position: FAV



Office of Government Relations 88 State Circle Annapolis, Maryland 21401

SB 504

February 24, 2023

TO: Members of the Senate Judicial Proceedings Committee

FROM: Mayor Brandon M. Scott, City of Baltimore

RE: Senate Bill 504 – Landlord and Tenant - Residential Leases and Holdover

Tenancies - Local Just Cause Termination Provisions

POSITION: SUPPORT

Chair Smith, Vice Chair Waldstreicher, and Members of the Committee please be advised that my Baltimore City Administration (BCA) **supports** Senate Bill (SB) 504.

SB 504 would authorize a jurisdiction to enact a local law that would prohibit a landlord from failing to renew a lease without providing a just cause. The bill only applies to residential properties and provides a range of reasons the landlord can use to provide "just cause" of the non-renewal.

This bill strikes a reasonable balance to ensure that both tenants and landlords have clarity and certainty regarding their lease renewals. It does not mandate that a landlord renew a tenant's lease rather it requires that a reason ("just cause") be given to the tenant if the lease is not going to be renewed. The reasons are broad and include breach of lease, failing to cease disorderly conduct, illegal activity, refusing access for repairs, and the inability to complete renovations while the building is occupied. "Just cause" also allows for the landlord in good faith to not renew the rental if they wish to remove the property from the market or want to recover possession of the property for their use or the use of their family.

It is important to note that the bill authorizes rather than mandates local jurisdictions to enact a local just cause law. This allows jurisdictions to make decisions in the best interest of their residents and unique local circumstances. In 2021, the Baltimore City Council attempted to pass local legislation to establish just cause evictions but the legislation could not be approved by the City's law department for form and legal sufficiency as state law change would be required. SB 504 would make the necessary changes to allow the City to pursue local legislation, should we wish.

For these reasons, the I request a **favorable** report on SB 504.

SB 504 - Just Cause - Testimony.pdf Uploaded by: C. Athony Muse

C. Anthony Muse
Legislative District 26
Prince George's County

Judicial Proceedings Committee



James Senate Office Building 11 Bladen Street, Room 220 Annapolis, Maryland 21401 410-841-3092 · 301-858-3092 800-492-7122 Ext. 3092 Anthony.Muse@senate.state.md.us

THE SENATE OF MARYLAND ANNAPOLIS, MARYLAND 21401

Testimony of Senator C. Anthony Muse

SB 504: Landlord and Tenant – Residential Leases and Holdover Tenancies – Local Just Cause Termination Provision

Good Afternoon Mr. Chairman, Vice Chairman and members of the JPR Committee.

SB 504, Landlord and Tenant – Residential Leases and Holdover Tenancies – Local Just Cause Termination Provision is a statewide enabling bill authorizing a county, including Baltimore City, to adopt by local law or ordinance provisions prohibiting a landlord of residential property from failing to renew a lease during the lease period or from terminating a holdover tenancy without just cause; establishing certain requirements for a local law or ordinance adopted in accordance with this Act; and generally relating to residential leases and holdover tenancies. Housing is a basic human need, and the urgency for housing security should be a priority this legislative session.

Displacement from a home has a tremendous negative impact on vulnerable residents in our community and can lead to difficulty finding and maintaining a job, student transiency, and homelessness, among other negative impacts. Our current system creates an imbalance of power when a landlord can remove a tenant from their home with just 60 days' notice and no reason provided, causing many residents to avoid reporting unsafe conditions or requesting necessary repairs out of fear of retaliation.

SB 504 will protect our residents and vulnerable neighbors from unjust eviction, while giving localities the option to enact county legislation in accordance with state law. This statewide enabling legislation allows jurisdictions to determine their own Just Cause stipulations.

For these reasons, I urge your favorable vote for SB 504.

SB0504 Local Just Cause Termination Provisions FAV

Uploaded by: Cecilia Plante



TESTIMONY FOR SB0504

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

Bill Sponsor: Senator Muse **Committee:** Judicial Proceedings

Organization Submitting: Maryland Legislative Coalition

Person Submitting: Cecilia Plante, co-chair

Position: FAVORABLE

I am submitting this testimony in favor of SB0504 on behalf of the Maryland Legislative Coalition. The Maryland Legislative Coalition is an association of individuals and grassroots groups with members in every district in the state with well over 30,000 members.

This bill provides enabling legislation that would authorize a county to adopt, by local law or ordinance, provisions that prohibit a landlord from terminating a residential lease or refusing to renew a lease without just cause.

As many COVID eviction protections have ended, evictions and non-renewals of leases have gone up. Approx. **34,000** households will likely face eviction next year. Roughly 1 in 10 evictions result in a shelter entry, meaning 1,700 households (4,420 individuals) will become homeless. This is an alarming rate of homelessness and it causes a very thorny problem. While needing to ensure that landlords rights are upheld, we also need to ensure that people are not turned out of their homes without just cause.

We believe that this bill strikes that balance. It does allow landlords to terminate a lease or refuse to renew when the tenant has engaged in disorderly or illegal conduct on the premises, or refuses to grant the landlord access to the property, or otherwise breaching the lease conditions. It does not allow the landlord to essentially evict the tenant without just cause and without notice.

We support this bill and recommend a **FAVORABLE** report in committee.

SB504 - Support just cause requirements.pdfUploaded by: Christina Nemphos

Dear Members of the Judicial Proceedings Committee,

This testimony is being submitted by Showing Up for Racial Justice Baltimore, a group of individuals working to move white folks as part of a multi-racial movement for equity and racial justice in Baltimore City, Baltimore County, and Howard County. We are also working in collaboration with CASA de Maryland and Renters United. I am a resident of Maryland District 40, and live in the Medfield neighborhood of Baltimore. I am testifying in support of \$80504.



HB 881 allows local jurisdictions to require a just basis for landlords to either refuse to renew or to cut off month-to-month/week-to-week leases. This legislation would enable local legislatures to pass their own laws, if they choose, limiting how and when lease non-renewals occur, requiring landlords to have a just cause to non-renew, or requiring landlords to prove a just cause in court.

During the COVID-19 pandemic, as the rate of non-payment eviction was slowed by court delays and emergency rental assistance, <u>lease-non-renewal evictions roughly doubled</u>. This means that working people and their children face the constant threat of displacement, even when they follow all the rules. They have no choice but to accept declining conditions and increasing rents just to stay in their communities. One of our members, Shawna Potter, has personally been close with many artists and activists who have been displaced from their homes, with little to no warning, simply because a landlord believed they could get a little more money from a fresh client.

In contrast to Maryland's present "no cause" policy is "just cause" policy where a landlord may choose not to renew an expiring lease *only if there is an acceptable basis for that decision*. A 2019 study from Princeton & the Eviction Lab found "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." Without this bill, jurisdictions like Montgomery County and Baltimore City face preemption challenges to trying just cause eviction policies. This bill gives local legislatures the power to decide what's acceptable and when. It recognizes that local legislatures know how best to help their renters stay stably housed and able to contribute to the workforce and the economy.

This issue goes beyond economics to long-standing racial inequities in housing policy. The National Equity Atlas, shares demographic statistics about rent debt sourced from US Census and Treasury data. On January 30, they reported an estimated 105,000 households were behind on their rent in Maryland. Of those, 74% of tenants are people of color, including Blacks, Latinx, Native Americans. Crucially, 51% of those households include children, a disproportionate number of whom are Black and Brown, and social scientists have documented declining school performance, increased drop-out rates, higher rates of adolescent violence, and worse health outcomes as negative outcomes among children who experienced eviction. People of color form less than half of this state's population, and helping them remain in their homes ensures we stop perpetuating racial inequities, especially lifelong detriments suffered by children.

It is for these reasons that I am encouraging you to vote in support of <u>SB0504</u>.

Thank you for your time, service, and consideration.

Sincerely, Christina Nemphos 1301 W 42nd Street, Baltimore, Md 21211 Showing Up for Racial Justice Baltimore

SB504.pdfUploaded by: Daryl Yoder
Position: FAV

Dear Members of the Judicial Proceedings Committee,

This testimony is being submitted by Showing Up for Racial Justice Baltimore, a group of individuals working to move white folks as part of a multi-racial movement for equity and racial justice in Baltimore City, Baltimore County, and Howard County. We are also working in collaboration with CASA de Maryland and Renters United. I am a resident of District 44A. I am testifying in support of SB0504.



HB 881 allows local jurisdictions to require a just basis for landlords to either refuse to renew or to cut off month-to-month/week-to-week leases. This legislation would enable local legislatures to pass their own laws, if they choose, limiting how and when lease non-renewals occur, requiring landlords to have a just cause to non-renew, or requiring landlords to prove a just cause in court.

During the COVID-19 pandemic, as the rate of non-payment eviction was slowed by court delays and emergency rental assistance, <u>lease-non-renewal evictions roughly doubled</u>. This means that working people and their children face the constant threat of displacement, even when they follow all the rules. They have no choice but to accept declining conditions and increasing rents just to stay in their communities.

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This issue goes beyond economics to long-standing racial inequities in housing policy. The National Equity Atlas, shares demographic statistics about rent debt sourced from US Census and Treasury data. On January 30, they reported an estimated 105,000 households were behind on their rent in Maryland. Of those, 74% of tenants are people of color, including Blacks, Latinx, Native Americans. Crucially, 51% of those households include children, a disproportionate number of whom are Black and Brown, and social scientists have documented declining school performance, increased drop-out rates, higher rates of adolescent violence, and worse health outcomes as negative outcomes among children who experienced eviction. People of color form less than half of this state's population, and helping them remain in their homes ensures we stop perpetuating racial inequities, especially lifelong detriments suffered by children.

It is for these reasons that I am encouraging you to vote **in support of <u>SB0504</u>**. Thank you for your time, service, and consideration.

Sincerely, Daryl Yoder 309 Glenmore Ave. Catonsville, MD 21228

SB0504 - Landlord and Tenant - Residential Leases

Uploaded by: Detrese Dowridge

SB0504 - Landlord and Tenant - Residential Leases and Holdover Tenancies

Local Just Cause Termination Provisions

Hearing before the Senate Judicial Proceedings Committee,

Mar. 7, 2023 at 1:00PM

Position: SUPPORT (FAV)

As a tenant organizer I see time and time again tenants being displaced without justification when it

comes to lease renewal. As you may have already heard in Maryland a landlord can decide to not renew

a tenant's lease without an explanation or reason therefore causing the tenant and them families to be

displaced. Most of the tenants I work with have children which means them, and their children face the

constant. threat of displacement, even when they follow all the rules while under constant pressure to

accept declining conditions and increasing rents just to stay in their communities. When a

tenant/tenants decide to come together and organize against their conditions some landlords use this

method of not renewing leases to force tenants out of their homes because of their organizing efforts

when all they are asking for is safe, habitual, and affordable housing. I know the number one thing

people will ask is why the tenant don't just move and as I say repeatedly some tenants who I

work with particularly those in low-income and underserved communities don't have the luxury to do

that. I urge the Committee to move SB0504 favorably so that local government can act with clear

authority on this issue. Safe, habitual, and affordable housing is a human right.

Thank You

Detrese Dowridge

Baltimore Renters United

SB0504-JPR_MACo_SUP.pdfUploaded by: Dominic Butchko



Senate Bill 504

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

MACo Position: **SUPPORT**To: Judicial Proceedings Committee

Date: March 7, 2023 From: Dominic J. Butchko

The Maryland Association of Counties (MACo) **SUPPORTS** SB 504. The bill would authorize counties to establish laws preventing landlords from failing to renew or terminating leases without just cause.

Several counties have sought the authority from SB 504 to protect vulnerable constituents facing eviction for reasons outside of their control. Throughout the COVID-19 pandemic, evictions have received increased scrutiny as average household debt due to unpaid rent and volatility in the employment marketplace reached significantly elevated levels. SB 504 simply provides a tool for counties to prevent housing instability and inequity tailored to the needs of their respective communities.

Altogether, this bill provides county autonomy to address the housing needs of Marylanders continuing to face challenges even as the worst of the pandemic has abated. For this reason, MACo **SUPPORTS** SB 504 and urges a **FAVORABLE** report.

SB504 - Just Cause Eviction Enablement.pdfUploaded by: Erica Palmisano

Dear Members of the Judicial Proceedings Committee,

This testimony is being submitted by Showing Up for Racial Justice Baltimore, a group of individuals working to move white folks as part of a multi-racial movement for equity and racial justice in Baltimore City, Baltimore County, and Howard County. We are also working in collaboration with CASA de Maryland and Renters United. I am a resident of 12A. I am testifying in support of \$B0504.



HB 881 allows local jurisdictions to require a just basis for landlords to either refuse to renew or to cut off month-to-month/week-to-week leases. This legislation would enable local legislatures to pass their own laws, if they choose, limiting how and when lease non-renewals occur, requiring landlords to have a just cause to non-renew, or requiring landlords to prove a just cause in court.

During the COVID-19 pandemic, as the rate of non-payment eviction was slowed by court delays and emergency rental assistance, <u>lease-non-renewal evictions roughly doubled</u>. This means that working people and their children face the constant threat of displacement, even when they follow all the rules. They have no choice but to accept declining conditions and increasing rents just to stay in their communities. One of our members, Shawna Potter, has personally been close with many artists and activists who have been displaced from their homes, with little to no warning, simply because a landlord believed they could get a little more money from a fresh client.

In contrast to Maryland's present "no cause" policy is "just cause" policy where a landlord may choose not to renew an expiring lease *only if there is an acceptable basis for that decision*. A 2019 study from Princeton & the Eviction Lab found "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." Without this bill, jurisdictions like Montgomery County and Baltimore City face preemption challenges to trying just cause eviction policies. This bill gives local legislatures the power to decide what's acceptable and when. It recognizes that local legislatures know how best to help their renters stay stably housed and able to contribute to the workforce and the economy.

This issue goes beyond economics to long-standing racial inequities in housing policy. The <u>National Equity Atlas</u>, shares demographic statistics about rent debt sourced from US Census and Treasury data. In January 2022, they reported an estimated 105,000 households were behind on their rent in Maryland. Of those, 74% of tenants are people of color, including Blacks, Latinx, Native Americans. Crucially, 51% of those households include children, a disproportionate number of whom are Black and Brown, and <u>social scientists have documented</u> declining school performance, increased drop-out rates, higher rates of adolescent violence, and worse health outcomes as negative outcomes among children who experienced eviction. People of color form less than half of this state's population, and helping them remain in their homes ensures we stop perpetuating racial inequities, especially lifelong detriments suffered by children.

It is for these reasons that I am encouraging you to vote in support of <u>SB0504</u>.

Thank you for your time, service, and consideration.

Sincerely, **Erica Palmisano**5580 Vantage Point Rd, Apt 5, Columbia, MD Showing Up for Racial Justice Baltimore

SB504.pdfUploaded by: Holly Powell Position: FAV

Dear Members of the Judicial Proceedings Committee,

This testimony is being submitted by Showing Up for Racial Justice Baltimore, a group of individuals working to move white folks as part of a multi-racial movement for equity and racial justice in Baltimore City, Baltimore County, and Howard County. We are also working in collaboration with CASA de Maryland and Renters United. I am a resident of **District 46. I am testifying in support of SB0504.**



HB 881 allows local jurisdictions to require a just basis for landlords to either refuse to renew or to cut off month-to-month/week-to-week leases. This legislation would enable local legislatures to pass their own laws, if they choose, limiting how and when lease non-renewals occur, requiring landlords to have a just cause to non-renew, or requiring landlords to prove a just cause in court.

During the COVID-19 pandemic, as the rate of non-payment eviction was slowed by court delays and emergency rental assistance, <u>lease-non-renewal evictions roughly doubled</u>. This means that working people and their children face the constant threat of displacement, even when they follow all the rules. They have no choice but to accept declining conditions and increasing rents just to stay in their communities. One of our members, Shawna Potter, has personally been close with many artists and activists who have been displaced from their homes, with little to no warning, simply because a landlord believed they could get a little more money from a fresh client.

In contrast to Maryland's present "no cause" policy is "just cause" policy where a landlord may choose not to renew an expiring lease *only if there is an acceptable basis for that decision*. A 2019 study from Princeton & the Eviction Lab found "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." Without this bill, jurisdictions like Montgomery County and Baltimore City face preemption challenges to trying just cause eviction policies. This bill gives local legislatures the power to decide what's acceptable and when. It recognizes that local legislatures know how best to help their renters stay stably housed and able to contribute to the workforce and the economy.

This issue goes beyond economics to long-standing racial inequities in housing policy. The National Equity Atlas, shares demographic statistics about rent debt sourced from US Census and Treasury data. On January 30, they reported an estimated 105,000 households were behind on their rent in Maryland. Of those, 74% of tenants are people of color, including Blacks, Latinx, Native Americans. Crucially, 51% of those households include children, a disproportionate number of whom are Black and Brown, and social scientists have documented declining school performance, increased dropout rates, higher rates of adolescent violence, and worse health outcomes as negative outcomes among children who experienced eviction. People of color form less than half of this state's population, and helping them remain in their homes ensures we stop perpetuating racial inequities, especially lifelong detriments suffered by children.

It is for these reasons that I am encouraging you to vote in support of SB0504.

Thank you for your time, service, and consideration.

Sincerely,
Holly Powell
2308 Cambridge Street
Baltimore, Maryland 21224
Showing Up for Racial Justice Baltimore

SB0504_JeffRubin_ FAV.pdfUploaded by: Jeffrey Rubin

Dr. Jeffrey S. Rubin Potomac, MD 20854



TESTIMONY ON SB504 - POSITION: FAVORABLE

Landlord and Tenant - Residential Lease and Holdover Tenancies - Local Just Cause
Termination Provisions

TO: Chair Smith, Vice Chair Waldstreicher, and members of the Judicial Proceedings Committee **FROM**: Dr. Jeffrey S. Rubin, on behalf of Jews United for Justice (JUFJ)

My name is Jeffrey Rubin and I am a resident of District 15, in Potomac. On behalf of Jews United for Justice (JUFJ), I am submitting this testimony in support of SB504, Landlord and Tenant - Residential Lease and Holdover Tenancies - Local Just Cause Termination Provisions. JUFJ organizes more than 6,000 Jewish Marylanders and allies from across the state in support of campaigns for social, racial, and economic justice.

Our support for this bill is rooted in Jewish values that recognize the fundamental importance of the home for a person's well-being, as well as the basic obligations of landlords to tenants. Jewish teachings affirm that one's home is the foundation upon which everything else of value in a person's life will rest. It is the place where one shelters from bad weather and stores most of their possessions. It is the place where a person has the privacy to cultivate a life of one's choosing, and has the opportunity to raise a family. The Babylonian Talmud, a sacred text dating back over 1500 years, contains specific guidelines concerning the eviction of tenants (Bava Metzia, 101b). An enduring message is that renters' needs must be taken into account.

The home is a focal point for a web of social interactions that includes friends, neighbors, schools, and other civic institutions. And so individuals, their families, and entire communities fall apart as a consequence of eviction. In his Pulitzer Prize-winning book *Evicted: Poverty and Profit in the American City*, sociologist Matthew Desmond paints a vivid picture of this harm: a toxic blend of property loss, job loss, emotional turmoil, psychological instability, disruption of children's education, and degradation of community spirit. For years, eviction has been a significant problem in Montgomery County, as well as other jurisdictions across our state, and it remains a serious concern as tenants face ongoing housing shortages and rising rents.

Because of its crucial role in the well-being of individuals, families, and their surrounding communities, special protections are warranted to ensure the stability of the home. SB504 is

designed to allow local jurisdictions to choose to enact such protections, while respecting the needs and rights of the landlord. It outlines an array of circumstances that justify a landlord's decision not to renew the lease of a renter. These conditions could include various contractual obligations to the landlord and specific provisions that allow the landlord to renovate or make other use of the property, such as for housing of a family member. However, it does not permit the landlord to displace renters from their homes in the absence of one of these just causes. The intention is to provide security for the renters who have made that residence their home.

Some landlords will contend that they only choose not to renew leases when they have tenants who cause trouble and are no longer welcome. They claim that the cost of having an empty rental unit is a disincentive to non-renewal of leases. While that may be a disincentive in principle, unfortunately there are many instances in which landlords have an even greater incentive to send residents packing: the opportunity to rid themselves of residents who ask for repairs of unhealthy, substandard housing; or the desire to raise rents dramatically. **SB504** would make it difficult for landlords to remove tenants who deserve to remain in their homes.

In recent years, supermajorities of both the Montgomery County Council and the Montgomery County House Delegation have voted in support of just cause legislation. However, the Maryland General Assembly has failed to respect the will of County residents as expressed by these large majorities of their representatives. SB504 provides a remedy to this impasse by enabling local jurisdictions to determine the fate of such legislation.

On behalf of JUFJ, I respectfully urge this committee to return a favorable report on SB504.

Takoma Park 2023 - SB 504 FAV - Enabling Just Caus Uploaded by: Jessie Carpenter



CITY OF TAKOMA PARK, MARYLAND

SB 504 Support

Senate Judicial Proceedings Committee

March 7, 2023

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

Termination Provisions

City contact: Talisha Searcy, Mayor

Talisha Searcy talishas@takomaparkmd.gov

The City of Takoma Park supports, and urges favorable consideration of SB 504.

This bill promotes stable housing by expressly granting authority to local legislatures 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 HB 684, local efforts are stymied by legal concerns around preemption.

The bill articulates many reasonable circumstances that would qualify as reasonable cause. The City agrees with these circumstances. At the same time, it provides protections for renters against potential unfair treatment, discrimination, or surprises that could have far-reaching adverse impacts not only on individuals and families, but entire communities.

Matthew Desmond in his book Evicted: Poverty and Profit in the American City wrote:

"It is hard to argue that housing is not a fundamental human need. Decent, affordable housing should be a basic right for everybody in this country. The reason is simple: without stable shelter, everything else falls apart...."

In the midst of a global pandemic, this proposal is even more important as unemployment climbs and the federal government fails in its attempts to provide additional assistance to those who are struggling during this unique and difficult time. While there have been various state and federal orders providing limited protections against evictions, most have expired and those that remain are not a blanket prohibition of evictions.

(over)

But even during the moratorium, tenants were only protected in "failure to pay rent" cases. Landlords and property owners were never prohibited from filing "tenant holding over" cases, which is what a local "just cause" law could address. These cases can be brought when a landlord does not want to renew a lease. This can happen when there are legitimate reasons – like the causes listed in the proposed legislation such as substantial breach of lease, illegal activity on the part of the tenant, or if the property is being taken out of the rental market.

Under current law, however, a landlord does not need a just cause, or any cause at all. This means that through no fault of their own, families can be evicted when a lease expires. What legal assistance organizations have witnessed in the last year is a growing number of tenant holding over cases and evictions are taking place.

It is too easy for families to be forced out of their homes with little or no ability to defend themselves. Tenants can be taken to court and displaced with virtually no reason provided. They are often without legal representation and have little chance of success against skilled attorneys.

City staff – and I personally -- have witnessed the devastation of involuntary displacement on our residents. A lifetime of belongings quickly packed up or left on the street ruined by rain and snow. Older residents and young families quickly scrambling to find a place to stay. Children moved from one school to another. All of this negatively impacts not just these individuals and families but our whole community. The City has a number of assistance programs and staff ready to help and work with landlords to help people stay in their homes. But there is still a giant loophole we need to close to prevent involuntary displacement.

We want to be perfectly clear that this bill clearly outlines the process and justifiable reasons for evictions, and still permits landlords to continue to be able to evict a tenant who breaches their lease, engages in criminal activity, endangers other tenants, or does not pay their rent. As public servants, we all want to ensure that if anyone is being removed from their home, it is for good reason. We have an opportunity to make that happen.

For these reasons, Takoma Park urges a favorable report on SB 504 so that local governments can act with clear authority on this issue.

Health Care for the Homeless - 2023 SB 504 FAV - J

Uploaded by: Joanna Diamond

HEALTH CARE FOR THE HOMELESS TESTIMONY IN SUPPORT OF

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

Senate Judicial Proceedings Committee March 7, 2023



Health Care for the Homeless supports SB 504, which would enable local jurisdictions to establish "just cause" or "good cause" limitations on lease non-renewals. This bill expressly grants authority to local legislatures 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 HB SB 504, local efforts are stymied by legal concerns around preemption.

In Maryland, 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.

We know that there is a plethora of health risks associated with the disruptive displacement caused by eviction. Following an eviction, a person's likelihood of experiencing homelessness significantly increases. Homelessness historically creates new health problems and exacerbates existing ones. Where you or I could easily manage something like diabetes or hypertension in the year 2022, even HIV, the disruptive displacement following an eviction makes caring for these things exponentially harder and sometimes impossible.

We know that mortality among those experiencing homelessness has escalated over the last 5-10 years. On December 21, 2021, Health Care for the Homeless gathered for our Homeless Persons' Memorial Day in which we remembered the lives of the 165 people with the experience of homelessness who died in 2021. In Health Care for the Homeless' Supportive Housing department alone we have seen upwards of 15 deaths in the last 12 weeks. To reiterate that is more than one every week. There is no amount of health care that can substitute stable housing.

We know that there is a clear connection between evictions and increased Covid-19 incidence and mortality. the appropriate allocation of funding for access to counsel in evictions across the state of Maryland will help those 9,627 Marylanders and their families avoid lifelong chronic health conditions and the possibility of contracting and dying from Covid-19.

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. SB 504 ensures local legislatures can pass enforceable laws whereby no one is arbitrarily deprived of their housing.

For the health and safety of the clients we serve and for all Marylanders, Health Care for the Homeless urges a favorable report on HB SB 504.

Health Care for the Homeless is Maryland's leading provider of integrated health services and supportive housing for individuals and families experiencing homelessness. Our mission is to end homelessness through racially equitable health care, housing and advocacy in partnership with those of us who have experienced it. We deliver medical care, mental health services, state-certified addiction treatment, dental care, social services, housing and housing support services for over 10,000 Marylanders annually in Baltimore City and Baltimore County. For more information, visit www.hchmd.org.

SB504_JohnFord_Favorable.pdfUploaded by: John Ford

Dear Members of the Judicial Proceedings Committee,

I am a resident of D46. I am testifying in support of SB0504.

HB 881 allows local jurisdictions to require a just basis for landlords to either refuse to renew or to cut off month-to-month/week-to-week leases. This legislation would enable local legislatures to pass their own laws, if they choose, limiting how and when lease non-renewals occur, requiring landlords to have a just cause to non-renew, or requiring landlords to prove a just cause in court.

During the COVID-19 pandemic, as the rate of non-payment eviction was slowed by court delays and emergency rental assistance, <u>lease-non-renewal evictions roughly doubled</u>. This means that working people and their children face the constant threat of displacement, even when they follow all the rules. They have no choice but to accept declining conditions and increasing rents just to stay in their communities. A member of a group that I meet with, Shawna Potter, has told us of personally being close with many artists and activists who have been displaced from their homes, with little to no warning, simply because a landlord believed they could get a little more money from a fresh client.

In contrast to Maryland's present "no cause" policy is "just cause" policy where a landlord may choose not to renew an expiring lease *only if there is an acceptable basis for that decision*. A 2019 study from Princeton & the Eviction Lab found "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." Without this bill, jurisdictions like Montgomery County and Baltimore City face preemption challenges to trying just cause eviction policies. This bill gives local legislatures the power to decide what's acceptable and when. It recognizes that local legislatures know how best to help their renters stay stably housed and able to contribute to the workforce and the economy.

This issue goes beyond economics to long-standing racial inequities in housing policy. The National Equity Atlas, shares demographic statistics about rent debt sourced from US Census and Treasury data. On January 30, they reported an estimated 105,000 households were behind on their rent in Maryland. Of those, 74% of tenants are people of color, including Blacks, Latinx, Native Americans. Crucially, 51% of those households include children, a disproportionate number of whom are Black and Brown, and social scientists have documented declining school performance, increased drop-out rates, higher rates of adolescent violence, and worse health outcomes as negative outcomes among children who experienced eviction. People of color form less than half of this state's population, and helping them remain in their homes ensures we stop perpetuating racial inequities, especially lifelong detriments suffered by children.

It is for these reasons that I am encouraging you to vote **in support of <u>SB0504</u>**.

Thank you for your time, service, and consideration.

Sincerely,
John Ford
3301 Fleet St
Baltimore, MD 21224

BaltimoreCounty_FAV_SB0504.pdf Uploaded by: Joshua Greenberg



JOHN A. OLSZEWSKI, JR. County Executive

JENNIFER AIOSA Director of Government Affairs

AMANDA KONTZ CARR Legislative Officer

JOSHUA M. GREENBERG Associate Director of Government Affairs

BILL NO.: SB 504

TITLE: Landlord and Tenant – Residential Leases and Holdover

Tenancies – Local Just Cause Termination Provisions

SPONSOR: Senator Muse

COMMITTEE: Judicial Proceedings

POSITION: SUPPORT

DATE: March 7, 2023

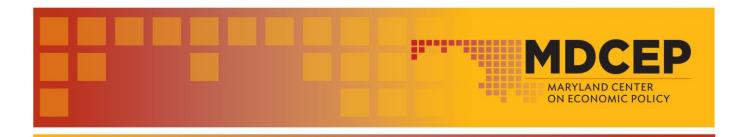
Baltimore County **SUPPORTS** Senate Bill 504 – Landlord and Tenant – Residential Leases and Holdover Tenancies – Local Just Cause Termination Provisions. This legislation would allow counties to adopt an ordinance prohibiting unjust tenant evictions.

Currently, there are few protections in place that prevent landlords from evicting tenants without just cause. As property values rise, some tenants have found themselves unable to renew their leases, only to have properties relisted at a significantly higher price point. Tenants must be able to live with the assurance that their year-to-year housing costs remain consistent, and that their lease will be renewed if they act within the bounds of the lease.

SB 504 is a strong step towards protecting the rights of renters in the State. This bill allows for Counties to adopt an ordinance prohibiting landlords from failing to renew a lease or evicting an existing tenant without just cause. As rent continues to rise, this bill is crucial to ensuring that current tenants will not be evicted for the purpose of posting the listing at a higher price point. This bill is a strong step towards securing the rights of renters across the State.

Accordingly, Baltimore County requests a **FAVORABLE** report on SB 504. For more information, please contact Jenn Aiosa, Director of Government Affairs at jaiosa@baltimorecountymd.gov.

SB 504_MD Center on Economic Policy_FAV.pdf Uploaded by: Kali Schumitz



Local Governments Should Have the Authority to Pass Protections for Renters

Position Statement Supporting Senate Bill 504

Given before the Senate Judicial Proceedings Committee

People should not be forced out of their homes through no fault of their own, but Maryland law currently allows landlords to evict tenants or not renew a lease without providing a basic reason. This opens the door to discrimination or retaliation against tenants. **The Maryland Center on Economic Policy supports Senate Bill 504 because we envision a future where housing is a basic right.**

SB 504 seeks to enable legislation that gives local governments the power to establish "just cause" or "good cause" limitations on lease non-renewals. This bill will allow local governments to set the appropriate limits, whether by type of building, for certain populations, or under certain circumstances such as a state of emergency, on lease non-renewals evictions. Giving local policymakers this authority will align the state with best practices from around the country and seek to put limits on "no cause" decisions by landlords. Without SB 504, local efforts are stymied by legal concerns around preemption.

- Since 2008, just cause eviction legislation has been introduced eight 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.
- Other states and jurisdictions have longstanding just cause policies, including Washington, D.C. (since 1985), Philadelphia (since 2018), and New Jersey (since 1974). Evidence from other areas demonstrates that the policy has significant benefits for families and does not impede development. A 2019 Princeton/Eviction Lab study looking at four California localities found 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.

SB 504 can aid local governments in aiding their renters in achieving stable housing. Requiring just cause as a precondition for an eviction can be a tailored policy that boosts the stability of the housing market. SB 504 ensures local governments can pass enforceable laws whereby no one is arbitrarily deprived of their housing. For these reasons, the Maryland Center on Economic Policy respectfully requests the Judicial Proceedings Committee to make a favorable report on Senate Bill 504.

Equity Impact Analysis: Senate Bill 504

Bill Summary

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 local legislatures to decide when it is appropriate for rental agreements not to be 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.

Background

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 may choose not to renew an expiring lease only if there is an acceptable basis for that decision. SB 504 defines "just cause," including an inclusive but non-exhaustive list of acceptable bases – such as substantial lease violations, illegal activities, removal of the property from the market, or personal use of the property by the owner. SB 504's list reflects the policies other U.S. jurisdictions that have enacted just cause policy.

Equity Implications

Since 2008, just cause eviction legislation has been introduced in eight 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 six months after the state of emergency's end. These efforts demonstrate a sustained desire in Maryland localities for just cause policies. People of color and single households are more likely to be renters in Maryland, thus any legislation that improves a renter's situation will benefit them.

Impact

Senate Bill 504 will likely **improve racial**, **gender**, **and economic equity** in Maryland.

¹Princeton University Effects of Just Cause Eviction Ordinances on Eviction in Four California Cities. https://jpia.princeton.edu/news/effect-just-cause-eviction-ordinances-eviction-four-california-cities

SB 504_Consumer Protection Division_Favorable_2023

Uploaded by: Kira Wilpone-Welborn

ANTHONY G. BROWN

Attorney General

CANDACE MCLAREN LANHAM Chief of Staff

CAROLYN QUATTROCKI

WILLIAM D. GRUHN

Chief

Consumer Protection Division

Deputy Attorney General

Writer's Fax No.

STATE OF MARYLAND OFFICE OF THE ATTORNEY GENERAL CONSUMER PROTECTION DIVISION

Writer's Direct Dial No. 410-576-6986 kwilponewelborn@oag.state.md.us

March 6, 2023

To: The Honorable William C. Smith, Jr.

Chair, Judicial Proceedings Committee

From: Kira Wilpone-Welborn, Assistant Attorney General

Consumer Protection Division

Re: Senate Bill 504 – Landlord and Tenant - Residential Leases and Holdover Tenancies - Local Just Cause Termination Provisions (SUPPORT)

The Consumer Protection Division of the Office of the Attorney General (the "Division") supports Senate Bill 504 sponsored by Senator C. Anthony Muse. Presently, pursuant to Real Property Article § 8-402, a landlord can elect to not renew a tenancy for any reason at the end of a residential lease term. Senate Bill 504 seeks to permit local jurisdictions the freedom to adopt local "just cause" policies that would require a landlord to have good cause before electing not to renew a tenancy and displacing the tenant from the rental unit and the community.

Just cause requirements for lease non-renewal reduce unexpected displacements, providing tenants with security in their residences and communities and allowing tenants to avoid financially expensive disruptions in their living, working, and schooling. As a result, the American Bar Association in its eviction policy guidelines has recognized the importance of just cause in eviction legislation and recommended that all states and localities adopt just cause principals in their residential lease and eviction laws.¹

Senate Bill 504 is a tailored bill to permit local jurisdictions the flexibility to adopt housing policies that are beneficial to their residents and communities. For these reasons, the Division requests that the Judicial Proceedings Committee give Senate Bill 504 a favorable report.

cc: The Honorable C. Anthony Muse Members, Judicial Proceedings Committee

¹ See https://www.americanbar.org/groups/legal-aid-indigent-defense/sclaid-task-force-on-eviction--housing-stability--and-equity/guidelines-eviction/guidelines-9/.

3.7.23 Testimony. Lindsay Bouie. Just Cause. SB050 Uploaded by: Lindsay Bouie

Testimony

In Favor: SB0504—Just-Cause, Local Enabling

Lindsay Bouie, 718-930-3801 MD Senate, Judicial Proceedings Committee – March 7, 2023

Hello and thank you to the committee for hearing my testimony. My name is Lindsay Bouie. My husband and I and our two small children are renters and we live in Gaithersburg.

I'd like to start by thanking Senator Muse for introducing this important legislation that could make a real difference in the lives of many renters.

The stability of a home for us and our neighbors is extremely important. We have formed deep roots in our community. Our son is a first-grader at Thurgood Marshall Elementary School, where I serve on the PTA. We have family close by and we see ourselves not just as temporary visitors, but as permanent, long-term residents.

Here in Montgomery County, we have local officials who support protecting renters from landlords refusing to renew a lease without providing a valid reason.

But if our legislature fails to permit our county to enact just-cause eviction protections, families like ours, along with senior citizens,, veterans, we are all in constant threat of being told to leave our homes with just 60 days' notice.

As month-to-month tenants ourselves, that leaves us wondering each month will such notice arrive? Our family needs to know that our home cannot be taken away from us at any time for any reason that they don't have to reveal.

Our son's elementary school boundaries are drawn such that no other multi-family properties feed into that school. So for us and our neighbors with younger kids, a non-renewal notice means a certain change in schools for our children.

And with 40% of the student body residing in our apartment complex alone, the stress that comes with unstable housing inevitably spreads to teachers and staff and the community as a whole.

We are good neighbors who pay our rent. We deserve to live our lives free of anxiety that our son or any of his friends will have to change elementary schools, not by choice, but for no good reason.

That's why I encourage the members of this committee to support this just-cause eviction bill, and to urge your colleges to do so as well.

Thank you.

SB504.docx.pdfUploaded by: Lindsay Keipper
Position: FAV

Dear Members of the Judicial Proceedings Committee,

This testimony is being submitted by Showing Up for Racial Justice Baltimore, a group of individuals working to move white folks as part of a multi-racial movement for equity and racial justice in Baltimore City, Baltimore County, and Howard County. We are also working in collaboration with CASA de Maryland and Renters United. I am a resident of District 46 and I am testifying in support of SB0504.



Received wisdom says that landlords want to hold on to good tenants, and that if you pay your rent on time and follow the rules, you can stay in an apartment you like and can afford long term. My experience renting for 13 years in Baltimore City proved this to be untrue. Rental housing suffers frequent turnover in ownership, and new owners inevitably want to raise rents; frequently this is accomplished by terminating the leases of all existing tenants at their next renewal date, so the apartments can be re-listed at vastly increased rents. In my time renting, this led to me being "priced out" of apartment buildings and entire neighborhoods over and over again.

I escaped this vicious cycle by buying a house; many people aren't lucky enough to have the resources and support to do so. Having to move every couple years is expensive, stressful, and disruptive-particularly to children, who are prone to suffer poor school performance, increased drop-out rates, and negative health outcomes as a consequence of being evicted from their homes and forced to move.

SB0504 allows local jurisdictions to require a just basis for landlords to either refuse to renew or to cut off month-to-month/week-to-week leases. This legislation would enable local legislatures to pass their own laws, if they choose, limiting how and when lease non-renewals occur, requiring landlords to have a just cause to non-renew, or requiring landlords to prove a just cause in court. We are in an eviction crisis, and allowing jurisdictions like Montgomery County and Baltimore City to establish these policies could be a cost-effective method of addressing the problem..

It is for these reasons that I am encouraging you to vote in support of SB0504.

Thank you for your time, service, and consideration.

Sincerely,
Lindsay Keipper
2425 Fleet. St.
Showing Up for Racial Justice Baltimore

SB0504_CC_Klingenmaier_FAV.pdfUploaded by: Lisa Klingenmaier



Senate Bill 504 Landlord and Tenant – Residential Leases and Holdover Tenancies – Local Just Cause Termination Provisions

Senate Judicial Proceedings Committee March 7, 2023

Support

Catholic Charities of Baltimore strongly supports SB 504, which authorizes jurisdiction in Maryland to adopt local laws and ordinances that prohibit landlords of residential properties from non-renewing a lease without having a just cause.

Inspired by the Gospel to love, serve and teach, Catholic Charities provides care and services to improve the lives of Marylanders in need. For 100 years, Catholic Charities has accompanied Marylanders as they age with dignity, obtain empowering careers, heal from trauma and addiction, achieve economic independence, prepare for educational success and feel welcome as immigrant neighbors. As one of the largest human service providers in Maryland, we see the traumatic impact of eviction and housing displacement every day.

SB 504 will reduce the incidence of homelessness by allowing Maryland jurisdictions to pass policies that ensure tenants don't experience lease non-renewals without a just cause. We provide homeless services across central and western Maryland, and often those we work with tell us their households spiraled into homelessness due to an eviction or a loss of stable housing. Stable housing is a cornerstone of stable families, and studies show that just cause eviction ordinances have a significant impact on lowering eviction rates and filings. Families shouldn't lose their housing when their lease ends without just cause provided for non-renewal.

SB 504 will assist in the social and economic recovery from the pandemic. Without stable shelter, families are more susceptible to adverse childhood experiences (ACEs), behavioral health crises, and poor health. These past few years in our head start programs our caseworkers have talked to hundreds of parents that have told us they are at risk of losing their housing and are looking for assistance. The pandemic has demonstrated the gaping holes in our safety net programs, especially for people of color. Allowing local governments to pass their own just cause ordinances can improve the socioeconomic outlook of low-income families at risk of losing their housing.

SB 504 is sound fiscal policy. Loss of housing entrench families into homelessness, poverty, and ACEs, which are extraordinarily expensive to address. Maryland should be working to prevent loss of housing, especially among households with children. Safe and reliable housing provides the stability needed to secure and maintain employment, promote good health, invest in educational opportunities and ultimately saves the state resources that otherwise go to maintain shelters and state-funded safety net programs. We know our individuals and families thrive in economically secure households with stable housing, and thriving families means a thriving economy.

On behalf of the individuals and families we work with, Catholic Charities of Baltimore appreciates your consideration, and urges the committee to issue a favorable report for SB 504.

Submitted By: Lisa Klingenmaier, Assistant Director of Advocacy

¹ Cueller, Juileta. 2019. Effect of "Just Cause" Eviction Ordinances on Eviction in Four California Cities. Journal of Public & International Affairs. https://jpia.princeton.edu/news/effect-just-cause-eviction-ordinances-eviction-four-california-cities

SB504 - fav - ems - 2023.pdf Uploaded by: Liz Simon-Higgs

Dear Members of the Senate Judicial Proceedings Committee,

I am a resident of District 46 and am submitting this testimony as a member of Showing Up for Racial Justice – Baltimore. I am also a member of the Baltimore City Property Tax Assessment Appeals Board, which hears many landlord complaints. I am testifying in support of <u>SB0504</u>.

Senate Bill 504 allows local jurisdictions to require a just basis for landlords to either refuse to renew or to cut off month-to-month/week-to-week leases. This legislation would enable local legislatures to pass their own laws, if they choose, limiting how and when lease non-renewals occur, requiring landlords to have a just cause to non-renew, or requiring landlords to prove a just cause in court.



During the COVID-19 pandemic, as the rate of non-payment eviction was slowed by court delays and emergency rental assistance, <u>lease-non-renewal evictions roughly doubled</u>. This means that working people and their children face the constant threat of displacement, even when they follow all the rules. They have no choice but to accept declining conditions and increasing rents just to stay in their communities.

As most of us know, moving – even in the *best* of situations – is highly disruptive. And for families with children, the choice is often to uproot their child(ren) from their current school, or to face long and unreliable commutes across town to keep children in their current school.

In my position at the Property Tax Assessment Appeals Board, I see that some landlords are content with a steady income and a stable tenant. But other landlords are constantly looking to eke out a larger profit from their paying tenants, whatever the consequences may be. Maryland's present "no cause" policy tacitly encourages this harmful practice. In contrast, with SB504's "just cause" policy, a landlord may choose not to renew an expiring lease *only if there is an acceptable basis for that decision*.

A 2019 study from Princeton & the Eviction Lab found "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." Without this bill, jurisdictions like Montgomery County and Baltimore City face preemption challenges to trying just cause eviction policies. This bill gives local legislatures the power to decide what's acceptable and when. It recognizes that local legislatures know how best to help their renters stay stably housed and able to contribute to the workforce and the economy.

This issue goes beyond economics to long-standing racial inequities in housing policy. The National Equity Atlas, shares demographic statistics about rent debt sourced from US Census and Treasury data. On January 30, they reported an estimated 105,000 households were behind on their rent in Maryland. Of those, 74% of tenants are people of color, including Blacks, Latinx, Native Americans. Crucially, 51% of those households include children, a disproportionate number of whom are Black and Brown, and social scientists have documented declining school performance, increased drop-out rates, higher rates of adolescent violence, and worse health outcomes as negative outcomes among children who experienced eviction. People of color form less than half of this state's population, and helping them remain in their homes ensures we stop perpetuating racial inequities, especially lifelong detriments suffered by children.

It is for these reasons that I am encouraging you to vote in support of SB504.

Thank you for your time, service, and consideration.

Sincerely,
Liz Simon-Higgs
308 E Randall Street, Baltimore, MD 21230
Showing Up for Racial Justice - Baltimore

SB 504 FAV Ches. PSR 2023.docx.pdf Uploaded by: Luke Mayhew



SB0504 - Landlord and Tenant - Residential Leases and Holdover Tenancies - Local Just Cause Termination Provisions

Hearing before the House Environment and Transportation Committee, Mar. 7, 2023 at 1:00PM

Position: SUPPORT (FAV)

Chesapeake Physicians for Social Responsibility (CPSR) is statewide evidenced-based, organization of over 900 physicians. other health professionals and supporters, that addresses the existential public health threats: nuclear weapons, the climate crisis and the issues of pollution and toxics' effect on health as seen through the intersectional lens of environmental, social and racial justice. As an organization founded by physicians, we understand that prevention is far superior to treatment in reducing costs; death, illness, injury, and suffering.

SB 504 is enabling legislation that would give power to Maryland counties to establish "just cause" or "good cause" limitations on lease non-renewals, expressly granting authority to counties to establish basic parameters within which rental agreements may be non-renewed. That means local policymakers would be able to determine the kind of "just cause" policy that best serves their jurisdiction, 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.

What is "just cause" policy?

When it comes to lease non-renewals, Maryland is currently a "no cause" state. That means a landlord can decide to non-renew without any stated cause. That means that working people and their children face the threat of displacement, even when they follow all the rules. Without any requirement for explanation from landlords, the possibility is open for landlord non-renewal decisions to be made in a spirit of retribution, possibly towards tenants who have drawn attention to declining conditions or increasing rents. Tenants therefore end up under pressure to quietly accept poor conditions just to stay in their communities, conditions which

might include unsafe and unhealthy buildings and rent increase rates that jump past a reasonable market index.

SB 504 enables Maryland counties to move away from these current no-cause policies by passing 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. While the bill does the work of defining "just cause" and includes a helpful list of potentially qualifying non-renewal reasons -- substantial lease violations, illegal activities, removal of the property from the market, or personal use of the property by the owner -- counties are granted discretion on how to contour their policy, if they enact one.

Where is the interest in "just cause eviction"?

Since 2008, just cause eviction legislation has been introduced 8 times within the state – including multiple statewide bills, as well as bills specifically pertaining 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, D.C. (since 1985) and Philadelphia (since 2018) have adopted just cause eviction policies. The state of New Jersey, has had "just cause" laws in place since 1974 and is a testament to how these policies can benefit both tenants and new development. While opponents often speculate that any measurers to help tenants stay in their homes hinders the development of new housing stock, New Jersey's model makes clear that just cause laws don't have this effect. "Something in the Garden State is clearly working. According to data from the Eviction Lab, New Jersey cities such as Trenton, Paterson, Jersey 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 <u>2019 Princeton/Eviction Lab</u> 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."

SB 504 recognizes that local legislatures want to aid their renters in achieving stable housing so that they are able to 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 protecting families, neighborhoods, and communities. SB 504 ensures local legislatures can pass enforceable laws whereby no one is arbitrarily deprived of their housing.

Chesapeake PSR strongly encourages passage of SB 504 to protect the mental and physicial health and safety of Marylanders who all have a right to safe and healthy living conditions. Inadequate housing is associated with chronic asthma, and is dangerous for children's development especially for those under 5. Young children exposed to overcrowding and/or multiple moves in one year, were more often reported by their caregivers to have poor health, impaired educational, social or emotional skills, and were measured to have low weight compared to other children (2019 Princeton/Eviction Lab). In older children and adolescents, a history of multiple moves has been associated with mental health problems later in life including violence and suicide (AJPM, 2016). Homelessness can be deadly. The homeless have a 5-10 x higher mortality than the housed with average life expectancy was 53 years on one study out of Boston (JAMA Mortality of Unsheltered Adults 2016). And this is before the Covid-19 pandemic, which has greatly exacerbated health challenges for those with housing instability.

Chesapeake PSR is a member of the Renters United Maryland, a statewide coalition of renters, organizers, and advocates, and we urge the Committee's report of Favorable on SB 504.

SB 504 - MoCo_Elrich_FAV (GA 23).pdf Uploaded by: Marc Elrich



OFFICE OF THE COUNTY EXECUTIVE

Marc Elrich
County Executive

March 7, 2023

TO: The Honorable William C. Smith, Jr.

Chair, Judicial Proceedings Committee

FROM: Marc Elrich

County Executive

RE: Senate Bill 504, Landlord and Tenant - Residential Leases and Holdover

Tenancies - Local Just Cause Termination Provisions

Senate Bill 504 authorizes a county to adopt by local law or ordinance provisions prohibiting a landlord of residential property from failing to renew a lease or from terminating a holdover tenancy without just cause. Under the bill, just cause exists if: (1) a tenant has committed a substantial breach of the lease or substantial damage to the leased premises or another area of the property and after receiving notice to cure or correct the breach or pay the cost of repair, the tenant fails to comply within a reasonable period of time established by the local law or ordinance; (2) after receiving notice, a tenant fails to cease disorderly conduct that disturbs the peace and quiet of other tenants within a reasonable period established by the local law or ordinance; (3) a tenant has engaged in illegal activity on the leased premises, another area of the property, or on a public right of way abutting the leased premises; (4) a tenant, without reasonable cause, refuses to grant the landlord access to the leased premises for repairs, improvements or inspection of the leased premises; (5) a landlord, in good faith, seeks to recover possession of the premises for use by the landlord or a family member; and (6) a landlord, in good faith, seeks to remove the leased premises from the rental market.

I strongly support this bill, which helps protect tenants and enables them to stay in their homes while also allowing termination of leases for certain causes. Under Montgomery County law, a landlord must provide 60 days' notice if the landlord does not intend to offer the existing tenant a renewed lease term. If a tenant remains in possession of the leased premises after the expiration of the lease term, the tenant is considered to be "holding over" under current State law. If a tenant holds over, the tenant becomes a month-to-month tenant, but all other terms of the expired lease remain in effect (albeit monthly). A landlord may file a complaint in District Court if a tenant refuses to relinquish possession at the end of the lease term. If the landlord proves proper notice, the lease term fully expires, and the tenant remains in possession of the premises, the Court will issue a judgment for possession in favor of the landlord.

The Honorable William C. Smith, Jr. Re: Senate Bill 504 March 7, 2023

Page 2

Senate Bill 504 makes significant changes to the tenant holding over process in Montgomery County. A landlord will no longer be able to evict a tenant for holding over, absent an enumerated just cause. Under the bill, a tenant could continue to stay in possession of the property indefinitely after expiration of the lease, as a month-to-month tenant, subject to eviction for just cause if the tenant continues to pay the required rent.

I support Senate Bill 504 and recognize the importance of providing tenants with housing stability and security through strengthening the protections available to tenants. I believe that just cause eviction requirements are yet another way that Montgomery County can provide housing security to its residents. For the foregoing reasons, I respectfully request a favorable Committee report.

cc: Members of the Judicial Proceedings Committee

SB 504 Just Cause Public Justice Ctr FAV.pdf Uploaded by: Matt Hill



C. Matthew Hill
Attorney
Public Justice Center
201 North Charles Street, Suite 1200
Baltimore, Maryland 21201
410-625-9409, ext. 229
hillm@publicjustice.org

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 "<u>Ten Guidelines for Residential Eviction Laws</u>." 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

The Public Justice Center is a 501(c)(3) charitable organization and as such does not endorse or oppose any political party or candidate for elected office.

<u>City, and West New York have among the lowest eviction rates in the country. Meanwhile, construction is absolutely exploding."</u>

Additionally, looking at 4 localities in California, a <u>2019 Princeton/Eviction Lab</u> 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.

SB 504 Testimony (Councilman Mark Conway _ Favorab Uploaded by: Meredith Riley



Councilman Mark Conway

Baltimore City Council Fourth District

100 N. Holliday Street, Suite 550 • Baltimore, Maryland 21202 (410) 396-4830 • mark.conway@baltimorecity.gov

To: Chair William C. Smith, Jr.; Vice Chair Jeff Waldstreicher; members of the Judicial Proceedings Committee

FROM: Mark Conway (District 4, Baltimore City Council; Chair, Public Safety and Government Operations Committee)

RE: SB 504 (Landlord and Tenant - Residential Leases and Holdover Tenancies - Local Just Cause Termination Provisions)

POSITION: Support

I am writing today to offer my support for SB 504 (Landlord and Tenant - Residential Leases and Holdover Tenancies - Local Just Cause Termination Provisions), which would prohibit a landlord of residential property from failing to renew a lease or from terminating a holdover tenancy without just cause.

As the COVID-19 pandemic wound down and Emergency Rental Assistance (ERA) funds have ebbed, federal, state, and local governments have lifted their eviction moratoriums. As a result, many renters now face challenges that chip away at their housing stability, such as increased rents due to inflation and a lack of affordable housing.

The end of a lease term is a particularly vulnerable time for all tenants, but especially low-income tenants, who face problems that less vulnerable counterparts may not. In many states around the country, landlords are not required to provide a reason for evicting a tenant at the end of a lease or for evicting a tenant without a lease (i.e., a resident with a month-to-month tenancy). A tenant at the end of their lease is also at risk for unreasonable rental price increases that could prevent them from signing or re-signing a lease.

In 2022, the Baltimore City Council passed an ordinance that would have accomplished a similar goal that this bill accomplishes, at the local level. However, I understand that it is the state's duty to pass this legislation, and want to offer my support for this bill as I did when it made its way through Baltimore City Council.

As states begin to run out of emergency rental assistance funds and housing prices continue to rise, local governments must intervene to protect low-income and marginalized households from eviction and, in the worst cases, homelessness. It is our duty now to protect those at risk and pass this commonsense legislation, and I urge a favorable report on SB 504.

Sincerely,

Mark S. Conway, Jr.

Mare & Carry for.

MEnglish SB 504 Favorable.pdfUploaded by: Michael English Position: FAV

SB0504 - Landlord and Tenant - Residential Leases and Holdover Tenancies -

Local Just Cause Termination Provisions

Hearing before the Senate Judicial Proceedings Committee,

March, 7 2023 Position: SUPPORT (FAV)

Hello, My name is Michael English, and I am writing to strongly support SB 504, which would allow localities to enact their own just cause eviction legislation.

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. I urge the Committee to move SB 504 favorably so that local government can act with clear authority on this issue.

What is "just cause" policy?

When it comes to lease non-renewals, Maryland landlords 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. Just cause legislation would not eliminate a landlord's ability to non renew, just mandate "good" cause for such a non renewal, such as a breach of lease, or removing the home from the rental market altogether.

On that note, SB 504 defines what "just cause" is, but does not impose specific contours for just cause to permit counties to decide. Instead, the HB0684 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. SB504 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.

Since 2008, just cause eviction legislation has been introduced in 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, 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 City, and West New York have among the lowest eviction rates in the country. Meanwhile, construction is absolutely Exploding."

I don't mean to dismiss that concern. I push for more development in my own community, and have pushed for more moderation and caution in zoning, impact taxes, and extremely strict renter protections that could impose enough cost that the impact would be net negative in my opinion, but just cause eviction is not one such policy. WIII it increase costs for landlords/ developers? Sure, a little, maybe. So do sprinklers and fire escapes. So does....any requirement, but we've decided those are a net benefit, that the massive benefits they enable are worth their relatively modest cost.

That's how I view just cause eviction.

SB 504 recognizes that local legislatures want to aid their renters in achieving stable housing so that they are able to 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. SB 504 ensures local legislatures can pass enforceable laws whereby no one is arbitrarily deprived of their housing.

I urge the Committee's report of Favorable on SB 504.

Thank you

Mike English Downtown Silver Spring

SB0504 -Just Cause Testimony Michael Lent.pdf Uploaded by: Michael Lent

SB0504 - Landlord and Tenant - Residential Leases and Holdover Tenancies - Local Just Cause Termination Provisions

Hearing before the Senate Judicial Proceedings Committee,, Mar. 7, 2023 at 1:00PM

Position: SUPPORT (FAV)

SB0504 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 SB0504, local efforts are stymied by legal concerns around preemption. We urge the Committee to move SB0504 favorably so that the local government can act with clear authority on this issue.

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.

SB0504 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. SB0504 defines what "just cause" is, but does not impose specific contours for just cause to permit counties to decide. Instead, the SB0504 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. SB0504's list reflects the policies of 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, 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 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 <u>2019 Princeton/Eviction Lab</u> 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."

SB0504 recognizes that local legislatures want to aid their renters in achieving stable housing so that they are able to 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. SB0504 ensures local legislatures can pass enforceable laws whereby no one is arbitrarily deprived of their housing.

I urge the Committee's report of Favorable on SB0504.

Sincerely,

Michael Lent
District 08
2504 Creighton Ave Parkville MD 21234

MD Catholic Conference_FAV_SB0504.pdf Uploaded by: MJ Kraska

Position: FAV



March 7th, 2023

SB 504

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

Senate Judicial Proceedings Committee

Position: Favorable

The Maryland Catholic Conference is the public policy representative of the three (arch)dioceses serving Maryland, which together encompass over one million Marylanders. Statewide, their parishes, schools, hospitals, and numerous charities combine to form our state's second largest social service provider network, behind only our state government.

Senate Bill 504 authorizes a county to enact local laws or ordinances that prohibit a landlord of residential property from failing to renew a lease during the lease term or seeking to terminate a holdover tenancy without just cause.

During the COVID-19 pandemic, as court delays and emergency rental assistance slowed the pace of non-payment eviction filings, evictions based on lease nonrenewal roughly doubled. Current Maryland policy prevents local legislatures from deciding how best to help their renters stay stably housed. As such, working individuals and their families face the threat of displacement even if they are up to date on rent and have adhered to all their lease's requirements. This legislation will help to boost the stability of the housing market by stabilizing families, neighborhoods, and communities to ensure our most vulnerable Marylanders remain housed.

The Conference appreciates your consideration and, for these reasons, respectfully requests a **favorable** report on Senate Bill 504.

CASA_FAV_SB504.pdf Uploaded by: Ninfa Amador

Position: FAV



Testimony in SUPPORT of SB 504

Landlord and Tenant - Residential Leases and Holdover Tenancies - Local Just Cause Termination Provisions Senate Judicial Proceedings Committee

March 7, 2023

Dear Honorable Chairman Smith and members of the Committee,

CASA is pleased to offer favorable testimony in strong support of SB 504, Local Just Cause Termination Provisions- key legislation that ensures tenants do not face unfair, unjust, discriminatory, or arbitrary evictions by enabling local jurisdictions to create "Just Cause policies" regarding evictions. CASA is the largest immigrant services and advocacy organization in Maryland, and in the Mid-Atlantic region, with a membership of over 120,000 Black and Latino immigrants and working families. Our mission is to create a more just society by building power and improving the quality of life in working-class and immigrant communities. We envision a future where our members stand in their own power, our families live free from discrimination and fear, and our diverse communities thrive as we work with our partners to achieve full human rights for all.

For nearly forty years, CASA has employed grassroots community organizing to bring our communities closer together and fight for justice, while simultaneously providing much-needed services to these communities, helping to ensure that low-income immigrants are able to live rich and full lives. An example of our powerful grassroots efforts are CASA member-led tenant associations and groups that are increasing in number and effectiveness. Our grassroots organizing has created safer housing for our members in Maryland, especially Prince George's and Montgomery Counties.

However, we have seen numerous families face eviction for arbitrary or retaliatory reasons. Although our members strongly organize and demand safe housing conditions many fear that their landlords will evict them for the sole fact that they are unwavering in their calls for better housing conditions. These types of retaliatory evictions are not uncommon.

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, the 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 of 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 in 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, 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 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 <u>2019 Princeton/Eviction Lab</u> 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."

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

CASA is a member of the Renters United Maryland coalition, a statewide coalition of renters, organizers, and advocates, and we urge the Committee's report of Favorable on HB0684.

Testimony of N.Leventhal SB504 - 03.07.pdf Uploaded by: Norman Leventhal

Position: FAV

Testimony of Norman P. Leventhal on Behalf of The Grand Residents Association

Before the Committee on Judicial Proceedings – SB504 Maryland Senate March 7, 2023

Good Afternoon. I want to thank Chairman Smith, Vice Chair Waldstreicher and the other Committee Members for giving our Association the opportunity to present testimony in support of Senator Muse's legislative proposal as presented in SB504.

Last year, I — along with my wife Ilene — became renters again after more than 50 years of home ownership in Montgomery County. In addition, in moving to the Grand Apartments, we switched Legislative districts from D15 to D16. After just two months at The Grand, I realized it was not so "grand" after all; in fact, it was left in a state of serious neglect by its current owners, Brookfield Properties. As a result of the terrible condition of the building, I helped form The Grand Residents Association (TGRA), whose 60+ members promptly elected a Board of Directors (listed below in Attachment A) and appointed various officers. In my capacity as President and Chairman I am tasked (along with my colleagues on the Board) with improving the lives of the more than 1,000 voting residents of the Grand by assisting the state of Maryland and Montgomery County to enact laws and ordinances of benefit to Renters as well as their respective landlord owners. It is clear to me — as I know it is clear to many others that the subject of SB504 (and its House counterpart, HB684) is one such measure.

As a practicing lawyer for more than 53 years, I cannot imagine a provision that cries out for passage as much as the "just cause" bill which is the subject of this hearing. In fact, it is a tenet of basic contract law that every agreement (including residential leases) are infused with the construct that "good faith" of all parties is

subsumed within its text. I personally find the right of our landlord (Brookfield, as well as all other landlords across the state) to terminate any lease "for no reason or any reason" to be the very antithesis of good faith, unconscionable and therefore unenforceable as against public policy.

In this regard, I do have one comment respecting the text of the proposed legislation itself: Section (II), lines 4-26, lists examples of what "just cause" could encompass but, other than explicitly stating that an "unjustified or inexcusable non-payment of rent" would be one such example (which, by the way, is already included within subsection 1- "breach of the lease"), I cannot imagine any other action that would constitute "just cause' and, thus, urge that the Title of Section (II) be changed from "Just Cause" *May Include*;" to simply state that: "Just Cause *Means*:"

When in July of last year, my wife and I became renters again for the first time in many years, I realized that neither MD nor Montgomery County was the "progressive" locale we had long thought it to be. When presented with a rental agreement I had no opportunity to challenge nor amend. I was appalled at the blatant favoritism shown landlords over their less well-financed and supported tenants. In fact, the unconscionable lease I — and more than 500 others at our new Apartment building (The Grand) have been forced to sign (see Attachment B) — led me to form a new Association by which the residents might be able to get the owners (Brookfield Properties) to finally fix the failing infrastructure and bring the building back to its Class I status; and, longer term, address the many inequities in the lease agreement. For example, the 19-page single spaced lease insisted upon by Brookfield – delivered electronically by DocuSign offers no ability to comment upon, let alone suggest changes in the lease - and contains some 35 paragraphs detailing the obligations and responsibilities of Tenants but only one directed at Landlords (which basically states the obvious, that they must comply with

the law). Even in the case of *mold*, the onus is on Tenants, not Landlords, to identify, control, report on, and address the problem.

Don't get me wrong, I am a firm believer in Capitalism and a free market, but the lease agreement we and others were required to sign, is so one-sided as to be unconscionable and, hence, void as against public policy. This is not the place to point out the many inequities faced by more than 35% of the Maryland electorate, save one: the need for "just cause" legislation (the key to it all). As it stands, MD law allows — and encourages — landlords to include in their leases provisions permitting them to terminate, or reject renewal of, leases for any reason or no reason. No one has explained to me why Landlords need such a provision; the only reason I can think of is that "it provides an opportunity to intimidate or punish" tenants who dare to raise questions about management or the level of rent increases. And, believe me when I tell you that in organizing and, finally, implementing "the Grand Residents Association (TGRA)," many of our Members have voiced just such fears of retribution by the Landlord.

Although I there will no doubt be other issues that we will want to engage on in coming months and years, the most critically important one is to <a href="https://have.the.State.of-Maryland take-its-heavy-hand-off-the-"scales of unfairness" and permit its various-local jurisdictions the ability to include a "just cause" provision in all residential apartment leases in the State.

Thank you for the opportunity to have our voice heard on this critical issue.

Attachment A to N. Leventhal Testimony SB504

Members of the Board of Directors of the Grand Residents Association:

Norman P. Leventhal, Chairman & President Yvonne Bass, Vice President Ellen Loeb, Secretary Ron Schlesinger, Treasurer Toby Gottesman, Member Nancy Lemos, Member Mary Bazargan, Member Linda Berger, Member

Attachment B to N. Leventhal Testimony SB504

Email from Norm Leventhal to Stephen St. Pierre The Grand Manager June 7, 2022

"Steve:

I appreciate the complete response. Thank you.

We have some issues, however, namely:

. . .

> The Lease (Section 1) gives the Landlord the unfettered right to terminate the lease for any reason or no reason. I am sure you are used to such draconian language, but we are not. In my view, the Landlord certainly may terminate the lease for breach by the tenant or other lawful or legitimate reason (e..g, such as a

decision to switch from rentals to purchased condos on a building wide basis).

But the language in the current lease is not what we were told would be included.

We have some modified language which we believe fully protects the Landlord as well as gives us some recognition that we will be able to stay at the Grand for many years:

1.TERM.

The term of this lease shall begin on the Commencement Date...Upon the Expiration Date, provided that Resident is not in material Breach of this Lease Agreement or any rules, policies or regulations of The Grand, Landlord shall renew the Lease by delivering written notice to Resident at least 90 days prior to the Expiration Date. If Resident wishes to terminate the tenancy,

Landlord shall have the right to terminate the tenancy in the event that Resident is in material breach of this Lease Agreement or any rules, policies or regulations of the Grand, by delivering written notice to Resident at least 60 day prior to the Expiration Date. Resident acknowledges that Landlord has no obligation to offer Resident a renewal in such circumstances and may terminate the tenancy and demand return of the Premises without cause or concern."

My wife and I hope you can see the benefits of the minor changes suggested."

We never heard back from Mr. St.Pierre but, nevertheless proceeded to sign the lease having no other realistic option.

SB504.pdfUploaded by: Rebecca Shillenn
Position: FAV

Dear Members of the Judicial Proceedings Committee,

This testimony is being submitted by Showing Up for Racial Justice Baltimore, a group of individuals working to move white folks as part of a multi-racial movement for equity and racial justice in Baltimore City, Baltimore County, and Howard County. We are also working in collaboration with CASA de Maryland and Renters United. I am a resident of **District 45. I am testifying in support of SB0504.**



HB 881 allows local jurisdictions to require a just basis for landlords to either refuse to renew or to cut off month-to-month/week-to-week leases. This legislation would enable local legislatures to pass their own laws, if they choose, limiting how and when lease non-renewals occur, requiring landlords to have a just cause to non-renew, or requiring landlords to prove a just cause in court.

During the COVID-19 pandemic, as the rate of non-payment eviction was slowed by court delays and emergency rental assistance, <u>lease-non-renewal evictions roughly doubled</u>. This means that working people and their children face the constant threat of displacement, even when they follow all the rules. They have no choice but to accept declining conditions and increasing rents just to stay in their communities. I watched friends and families in my former neighborhood (Barclay, 21218), be evicted with less than a month's notice just so the landlord could sit on the property or flip it for higher rent or to sell for more than the place was worth.

In contrast to Maryland's present "no cause" policy is "just cause" policy where a landlord may choose not to renew an expiring lease *only if there is an acceptable basis for that decision*. A 2019 study from Princeton & the Eviction Lab found "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." Without this bill, jurisdictions like Montgomery County and Baltimore City face preemption challenges to trying just cause eviction policies. This bill gives local legislatures the power to decide what's acceptable and when. It recognizes that local legislatures know how best to help their renters stay stably housed and able to contribute to the workforce and the economy.

This issue goes beyond economics to long-standing racial inequities in housing policy. The National Equity Atlas, shares demographic statistics about rent debt sourced from US Census and Treasury data. On January 30, they reported an estimated 105,000 households were behind on their rent in Maryland. Of those, 74% of tenants are people of color, including Blacks, Latinx, Native Americans. Crucially, 51% of those households include children, a disproportionate number of whom are Black and Brown, and Social Scientists have documented declining school performance, increased drop-out rates, higher rates of adolescent violence, and worse health outcomes as negative outcomes among children who experienced eviction. People of color form less than half of this state's population, and helping them remain in their homes ensures we stop perpetuating racial inequities, especially lifelong detriments suffered by children.

It is for these reasons that I am encouraging you to vote in support of SB0504.

Thank you for your time, service, and consideration.

Sincerely,

Rebecca Shillenn 5401 Elsrode Avenue Baltimore MD 21214 Showing Up for Racial Justice Baltimore

Eckel FAV SB504.pdfUploaded by: Rianna Eckel Position: FAV

Dear Members of the Judicial Proceedings Committee,

My name is Rianna Eckel, and I live in District 43A. I am submitting this testimony as a member of Showing Up for Racial Justice Baltimore, a group of individuals working to move white folks as part of a multi-racial movement for equity and racial justice in Baltimore City, Baltimore County, and Howard County. We are also working in collaboration with CASA de Maryland and Renters United. I am testifying in support of \$B0504.



HB 881 allows local jurisdictions to require a just basis for landlords to either refuse to renew or to cut off month-to-month/week-to-week leases. This legislation would enable local legislatures to pass their own laws, if they choose, limiting how and when lease non-renewals occur, requiring landlords to have a just cause to non-renew, or requiring landlords to prove a just cause in court.

During the COVID-19 pandemic, as the rate of non-payment eviction was slowed by court delays and emergency rental assistance, <u>lease-non-renewal evictions roughly doubled</u>. This means that working people and their children face the constant threat of displacement, even when they follow all the rules. They have no choice but to accept declining conditions and increasing rents just to stay in their communities. One of our members, Shawna Potter, has personally been close with many artists and activists who have been displaced from their homes, with little to no warning, simply because a landlord believed they could get a little more money from a fresh client.

In contrast to Maryland's present "no cause" policy is "just cause" policy where a landlord may choose not to renew an expiring lease *only if there is an acceptable basis for that decision*. A 2019 study from Princeton & the Eviction Lab found "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." Without this bill, jurisdictions like Montgomery County and Baltimore City face preemption challenges to trying just cause eviction policies. This bill gives local legislatures the power to decide what's acceptable and when. It recognizes that local legislatures know how best to help their renters stay stably housed and able to contribute to the workforce and the economy.

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It is for these reasons that I am encouraging you to vote **in support of <u>SB0504</u>**. Thank you for your time, service, and consideration.

Sincerely, Rianna Eckel 2300 Hunter St, Baltimore 21218 Showing Up for Racial Justice Baltimore

SB0504_Just Cause Eviction_FAV.pdfUploaded by: Sarah Johnson

Position: FAV

Dear Members of the Senate Judicial Proceedings Committee,

This testimony is being submitted by Showing Up for Racial Justice Baltimore, a group of individuals working to move white folks as part of a multi-racial movement for equity and racial justice in Baltimore City, Baltimore County, and Howard County. We are also working in collaboration with CASA de Maryland and Renters United. I am a resident of District 41. I am testifying in support of SB0504.



SB 504 allows local jurisdictions to require a just basis for landlords to either refuse to renew or to cut off month-to-month/week-to-week leases. This legislation would enable local legislatures to pass their own laws, if they choose, limiting how and when lease non-renewals occur, requiring landlords to have a just cause to non-renew, or requiring landlords to prove a just cause in court.

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It is for these reasons that I am encouraging you to vote in support of SB0504.

Thank you for your time, service, and consideration.

Sincerely, Sarah Johnson, 1 Merryman Court, Baltimore MD 21210 Showing Up for Racial Justice Baltimore

SB 504_MAP_FAV.pdfUploaded by: Stacey Jefferson Position: FAV



Member Agencies:

211 Maryland
Baltimore Jewish Council
Behavioral Health System Baltimore
CASH Campaign of Maryland
Energy Advocates
Episcopal Diocese of Maryland
Family League of Baltimore
Fuel Fund of Maryland
Job Opportunities Task Force
Laurel Advocacy & Referral Services,
Inc.
League of Women Voters of Maryland

League of Women Voters of Maryland
Loyola University Maryland
Maryland Center on Economic Policy
Maryland Community Action
Partnership

Maryland Family Network
Maryland Food Bank
Maryland Hunger Solutions
Paul's Place
St. Vincent de Paul of Baltimore

Marylanders Against Poverty

Welfare Advocates

Kali Schumitz, Co-Chair P: 410-412- 9105 ext 701 E: kschumitz@mdeconomy.org

Mark Huffman, Co-Chair P: (301) 776-0442 x1033 E: MHuffman@laureladvocacy.org

TESTIMONY IN SUPPORT OF SB 504

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

Senate Judicial Proceedings Committee, March 7, 2023 at 1:00PM

Position: SUPPORT (FAV)

Presented By Mark Huffman and Kali Schumitz, Co-chairs

Marylanders Against Poverty (MAP) strongly supports SB 504, which provides 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 SB0504, local efforts are stymied by legal concerns around preemption. We urge the Committee to move SB0504 favorably so that local government can act with clear authority on this issue.

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.

In addition, this "no cause" system became particularly problematic during the pandemic when landlords used this to get around the public health federal eviction moratorium. While they could not evict tenants for non-payment of rent, landlords could allow the tenant's lease to expire and then evict them for tenant holding over. Aside from the trauma of eviction and homelessness this brought about, untold numbers of lives were lost due to the increased spread of the virus that resulted.

SB0504 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. SB0504 defines what "just cause" is, but does not impose specific contours for just cause to permit counties to decide. Instead, the SB0504 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. SB0504's list reflects the policies of 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, D.C. (since 1985) and Philadelphia (since 2018) have adopted just cause eviction policies, as well as the state of New Jersey (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 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 <u>2019 Princeton/Eviction Lab</u> 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."

SB0504 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. SB0504 ensures local legislatures can pass enforceable laws whereby no one is arbitrarily deprived of their housing.

MAP appreciates your consideration and urges the committee to issue a favorable report for SB0504.

Marylanders Against Poverty (MAP) is a coalition of service providers, faith communities, and advocacy organizations advancing statewide public policies and programs necessary to alleviate the burdens faced by Marylanders living in or near poverty, and to address the underlying systemic causes of poverty.

SB504.pdfUploaded by: Tamara Todd
Position: FAV

Dear Members of the Judicial Proceedings Committee,

This testimony is being submitted by Showing Up for Racial Justice Baltimore, a group of individuals working to move white folks as part of a multi-racial movement for equity and racial justice in Baltimore City, Baltimore County, and Howard County. We are also working in collaboration with CASA de Maryland and Renters United. I am a resident of District 10. I am testifying in support of SB0504.



HB 881 allows local jurisdictions to require a just basis for landlords to either refuse to renew or to cut off month-to-month/week-to-week leases. This legislation would enable local legislatures to pass their own laws, if they choose, limiting how and when lease non-renewals occur, requiring landlords to have a just cause to non-renew, or requiring landlords to prove a just cause in court.

During the COVID-19 pandemic, as the rate of non-payment eviction was slowed by court delays and emergency rental assistance, <u>lease-non-renewal evictions roughly doubled</u>. This means that working people and their children face the constant threat of displacement, even when they follow all the rules. They have no choice but to accept declining conditions and increasing rents just to stay in their communities.

In contrast to Maryland's present "no cause" policy is "just cause" policy where a landlord may choose not to renew an expiring lease *only if there is an acceptable basis for that decision*. A 2019 study from Princeton & the Eviction Lab found "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." Without this bill, jurisdictions like Montgomery County and Baltimore City face preemption challenges to trying just cause eviction policies. This bill gives local legislatures the power to decide what's acceptable and when. It recognizes that local legislatures know how best to help their renters stay stably housed and able to contribute to the workforce and the economy.

This issue goes beyond economics to long-standing racial inequities in housing policy. The National Equity Atlas, shares demographic statistics about rent debt sourced from US Census and Treasury data. On January 30, they reported an estimated 105,000 households were behind on their rent in Maryland. Of those, 74% of tenants are people of color, including Blacks, Latinx, Native Americans. Crucially, 51% of those households include children, a disproportionate number of whom are Black and Brown, and social scientists have documented declining school performance, increased drop-out rates, higher rates of adolescent violence, and worse health outcomes as negative outcomes among children who experienced eviction. People of color form less than half of this state's population, and helping them remain in their homes ensures we stop perpetuating racial inequities, especially lifelong detriments suffered by children. It is for these reasons that I am encouraging you to vote in support of \$80504.

Thank you for your time, service, and consideration.

Sincerely, Tamara Todd 221 Northway Rd, Reisterstown, MD, 21136 Showing Up for Racial Justice Baltimore

MMHA - 2023 - SB 504 - Just cause eviction(3).pdf Uploaded by: Aaron Greenfield

Position: UNF



Bill Title: Senate Bill 504, Landlord and Tenant - Residential Leases and Holdover

Tenancies - Local Just Cause Termination Provisions

Committee: Judicial Proceedings

Date: March 7, 2023

Position: Unfavorable

This testimony is offered on behalf of the Maryland Multi-Housing Association (MMHA). MMHA is a professional trade association established in 1996, whose membership consists of owners and managers of more than 207,246 rental housing homes in more than 937 apartment communities. Our members house over 667,000 residents of the State of Maryland throughout the entire State of Maryland. MMHA membership also includes more than 216 associate members that supply goods and services to the multi-housing industry. More information is available at https://www.mmhaonline.org/

Senate Bill 504 is enabling legislation authorizing a county to enact provisions that prohibit a landlord from failing to renew a lease during the lease period or seeking to terminate a holdover tenancy without just cause. The local ordinance must require a landlord to provide written notice by first—class mail with a certificate of mailing to a tenant stating the just cause for the nonrenewal of a lease or the termination of a holdover tenancy. Just cause for nonrenewal includes seven specific areas, namely, a substantial breach of the lease after receiving notice to cure and the tenant fails to comply and disorderly conduct that the tenant fails to cease.

Senate Bill 504 provides tenants with a life tenancy in the property. The bill fundamentally changes a lease from a two-party contract - between the landlord and tenant - to a unilateral one. For the first time in Maryland history, this bill establishes a property ownership interest of the tenant in the unit. The concept of a tenant holding over becomes a nullity. This bill gives the tenant a stick out of the owner's proverbial "bundles of property rights" that was neither bargained nor paid for. This is unconstitutional under the State Constitution and legislative action that attempts to do so has been previously deemed as such in Muskin v. SDAT, 422 Md. 544,30 A.3d 962 (2011).

Additionally, the passage of this bill eliminates a property owner's obligation to protect its residents right to the quiet enjoyment of their residence since a landlord would be required to serve a nonrenewal notice on a resident at the end of the lease term. It would require an owner to "show cause" and obtain a court order to terminate a lease and remove an offending tenant from the property.

Senate Bill 504 forces housing providers to obtain enhanced documentation and public records in order to meet the just cause standard. Police and fire departments inconsistently



respond to Public Information Act (PIA) requests and delays in receiving data can take 60 days. Reports are heavily redacted, often denied due to ongoing investigation and can cost as much as \$25.00 for an initial report. As a result, public safety agencies will see an increase in costs and workload due to calls placed by property owners to memorialize the disorderly or criminal behavior and respond to greater demand for public records.

This process also pits neighbor against neighbor. Under Senate Bill 504, owners and managers would have to rely on crucial evidence to evict problem residents including resident testimony. Residents are unlikely to testify in opposition to harassing or even dangerous residents as this would place them in harm's way. As a result, these measures foster an adversarial relationship between rental property owners and their residents as they become frustrated with the inability of property owners to act on their complaints and remove problem residents. When issues arise, community residents are subjected to living on the property without relief while the investigative and judicial process to convict an individual of a crime takes time. The outcome is good residents move out.

Furthermore, enabling local jurisdictions to make their own rules regarding what is "just cause" to end tenancies takes away any uniformity of law. Where landlords have multiple rental properties in multiple jurisdictions leasing terms and policy applications will become a patchwork of ordinances making leasing and renting a nightmare for both landlords and tenants. Lastly, the imposition of "just cause" factors will further clog the courts with landlords seeking to repossess their property.

Finally, there is a fundamental unfairness to just cause eviction. Specifically, when a tenant chooses to give notice and vacate a rental property, there is no requirement to give just cause. Why then should a landlord be required to give a just cause?" This bill legislates an unconstitutional imbalance in the landlord-tenant relationship.

For the foregoing reasons, MMHA respectfully requests <u>an unfavorable report</u> on Senate Bill 504.

Aaron J. Greenfield, Director of Government Affairs, 410.446.1992

MBIA Letter of Opposition SB 504.pdf Uploaded by: Lori Graf Position: UNF



March 6, 2023

The Honorable William C. Smith Jr. Senate Judicial Proceedings Committee Miller Senate Office Building, 2 East Wing 11 Bladen St., Annapolis, MD, 21401

RE: Letter of opposition SB0504 Landlord and Tenant – Residential Leases and Holdover Tenancies – Local Just **Cause Termination Provisions**

Dear Chairman Smith:

The Maryland Building Industry Association, representing 100,000 employees statewide, appreciates the opportunity to participate in the discussion surrounding SB0504 Landlord and Tenant - Residential Leases and Holdover Tenancies - Local Just Cause Termination Provisions. MBIA opposes the Act in its current version.

This bill would authorize any county to adopt by local law or ordinance provisions prohibiting a landlord of residential property from failing to renew a lease. This bill acknowledges in the text that landlords can have tenants for which a variety of Just Causes can induce a landlord not to renew a lease. This bill would take away a landlord's rights to exercise their rights under a legal contract agreed to by both parties that is designed to protect landlords from tenants that are unfit for the premises. This places an unfair and potentially expensive burden on landlords and invalidates leases that are legally binding and mutually agreed to.

For these reasons, MBIA respectfully requests the Committee give this measure an **unfavorable** report. Thank you for your consideration.

For more information about this position, please contact Lori Graf at 410-800-7327 or lgraf@marylandbuilders.org.

cc: Members of the Senate Judicial Proceedings Committee

sb504.pdfUploaded by: Matthew Pipkin Position: UNF

MARYLAND JUDICIAL CONFERENCE GOVERNMENT RELATIONS AND PUBLIC AFFAIRS

Hon. Matthew J. Fader Chief Justice 187 Harry S. Truman Parkway Annapolis, MD 21401

MEMORANDUM

TO: Senate Judicial Proceedings Committee

FROM: Legislative Committee

Suzanne Pelz, Esq.

(410)260-1523

RE: Senate Bill 504

Landlord and Tenant – Residential Leases and Holdover Tenancies

Local Just Cause Termination Provisions

DATE: February 8, 2023

(3/7)

POSITION: Oppose

The Maryland Judiciary opposes Senate Bill 504. Senate Bill 504 authorizes a county, including Baltimore City, to adopt by local law or ordinance provisions prohibiting a landlord of residential property from failing to renew a lease during the lease period or from terminating a holdover tenancy without just cause.

The District Court is a statewide court system designed to provide the uniform application of law to all who come before it. This bill could cause the Landlord Tenant law to apply differently in one jurisdiction out of twenty-four resulting in an inequitable application of the law across the State. The Judiciary believes there should be statewide consistency and equity in how landlord/tenant cases are processed across Maryland.

cc. Hon. C. Anthony Muse

Judicial Council

Legislative Committee

Kelley O'Connor

SB 504--AOBA--UNF.pdf Uploaded by: Ryan Washington Position: UNF



Bill No: SB 504 – Landlord and Tenant - Residential Leases and Holdover

Tenancies - Local Just Cause Termination Provisions

Committee: Judicial Proceedings

Date: 3/7/2023

Position: Unfavorable

The Apartment and Office Building Association of Metropolitan Washington (AOBA) represents members that own or manage more than 23 million square feet of commercial office space and 133,000 apartment rental units in Montgomery and Prince George's counties.

As drafted, this bill enables local jurisdictions to enact "just cause" provisions that prohibit a housing provider from deciding not to renew a lease or terminate a holdover tenancy without one of seven specific reasons. In practice, "just cause" laws require housing providers to house and renew a tenant's lease indefinitely unless the provider can prove the existence of one of these "just causes" for non-renewal in Court. AOBA opposes this bill for the following reasons:

- It will be more challenging to remove nuisance tenants This bill would make it significantly more difficult to remove a nuisance tenant by requiring a housing provider to prove in Court one of seven listed reasons considered "just cause" for not renewing a lease. Good residents expect their respective housing providers to provide them the quiet enjoyment of their premises not to be dragged into Court to testify against a problematic neighbor. Neighboring residents will not testify in most cases for fear of retribution from the problem tenant. However, if the housing provider cannot document and prove the offending behavior, it prevents the nuisance resident from being removed indefinitely, and the good tenants will suffer, then leave.
- Alters the two-party contract between the housing provider and resident— SB 504 nullifies the contractual agreement by allowing a resident to end their lease at any time and forcing a housing provider to lease their unit to a resident unless the resident violates any of the just cause provisions outlined in the bill. This bill will foster an adversarial relationship between housing providers and residents as providers must evidence to successfully evict problematic residents.
- Litigation will increase Under this bill, all lease violations must be documented as if the
 issue will go to Court. Ultimately, housing providers would be forced to create files for every
 problem tenant with the expectation that the case may be headed to Court to prove that "just
 cause" existed for not renewing a lease. This inherently raises the cost of owning and
 managing rental property. Rental property owners desire to keep tenants and only choose to

remove them when necessary. Turnover is expensive and hurts housing providers in terms of lost rent, advertising, and the cost of preparing the apartment for leasing to a new resident. There is no economic incentive for housing providers to enter a judgment against a resident except as a last resort when the lease has been breached, specifically in cases dealing with failure to pay rent or threatening the safety of others in the community.

This bill: (1) is unfair to property owners; (2) negates the lease agreement between a housing provider and resident; and (3) will make apartment communities less safe.

For these reasons, AOBA urges an unfavorable report on SB 504.

For further information, contact Ryan Washington, AOBA Manager of Government Affairs, at 202-770-7713 or rwashington@aoba-metro.org.

SB 504_realtors_unf.pdf Uploaded by: William Castelli Position: UNF



Senate Bill 504 – Landlord and Tenant – Residential Leases and Holdover Tenancies – Local Just Cause Termination Provisions

Position: Unfavorable

Maryland REALTORS® oppose SB 504 which would authorize local government to pass "just cause" eviction laws. "Just cause" eviction laws undermine the fundamental nature of leasehold real estate.

Leasehold or rental real estate is a function of both property and contract law. In a leasehold estate, a tenant is given specific property rights like possession for a certain period of time as determined by the parties in a contract (the lease). The leasehold estate is not meant to be permanent and when the lease term ends a landlord may regain possession.

"Just cause" laws remove the certainty of the end of the lease. Unless a landlord exercises certain "just cause" reasons to end the lease, the landlord must continue to rent to the tenant for as long as the tenant wants to live there. The bill identifies the following "just cause" triggers to end a lease:

- The TENANT commits a <u>"substantial"</u> breach of the lease or causes <u>"substantial"</u> damage to the unit.
- The TENANT refuses to cease disorderly conduct as determined under local laws
- The TENANT engages in illegal activity on the leased premises.
- The TENANT refuses to give the landlord access to make repairs and improvements.
- The LANDLORD wishes to use the property for family.
- The LANDLORD wants to remove the unit from the rental market.

Of the six reasons, permitting a lease term to end, the TENANT controls whether four of the conditions occur. The only real control the landlord retains is to terminate the tenancy for family use of the property or to take it off the market.

SB 504 will limit landlords' property rights in their own property and fundamentally alter a leasehold estate. For these reasons, the REALTORS® recommend an unfavorable report.

For more information contact lisa.mays@mdrealtor.org or christa.mcgee@mdrealtor.org

