



**MARYLAND
LEGAL AID**

Advancing
**Human Rights and
Justice for All**

**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: FAVORABLE

Maryland Legal Aid (MLA) submits its written and oral testimony on SB0504 at the request of bill sponsor Senator Anthony Muse.

MLA is a non-profit law firm that provides free legal services to the State's low-income and vulnerable residents. Our 12 offices serve residents in each of Maryland's 24 jurisdictions and handle a range of civil legal matters, including for Marylanders struggling with housing insecurity. MLA upholds the right to housing, enshrined in the Universal Declaration of Human Rights, for which a principal tenet is security of tenure. SB0504 is a vital measure to bring that security to low- and middle-income renting households. MLA urges the Committee's favorable report on SB0504.

When it comes to lease non-renewals, Maryland is currently a "no cause" state – that is, a landlord can decide to non-renew even when tenants follow all the rules. This means that working people, families, and elders face a likelihood of displacement, year to year or even month to month. They are under constant pressure to accept declining conditions and increasing rents just to stay in their communities.

SB0504 is enabling legislation that would give clear legislating power to Maryland counties and to Baltimore City to establish "just cause" or "good cause" requirements for lease non-renewals. This bill expressly grants authority to localities to decide when it is appropriate for rental agreements to be non-renewed. That means local policymakers could determine the kind of "just cause" policy their locality needs, whether by type of building, for certain populations, for specific lengths of time, or under certain circumstances such as a state of emergency. Without SB0504, local efforts are constrained by concerns around preemption. SB0504 allows local governments to act with clear authority on this issue.

What is "just cause" policy?

"Just cause" means that a landlord must have an acceptable reason, determined by statute, for choosing not to renew an expiring lease. Notably, SB0504 does not establish those acceptable causes for lease termination. Instead, this bill authorizes local legislatures to define the scope and elements of "just cause" in their own local legislation.

The enumerated list of “just causes” in subsection (a)(3), on page 3 of the bill, is not mandatory. The list offers guidance and reflects the grounds for lease non-renewal that are typically found in other U.S. jurisdictions that have enacted just cause policy. SB0504 authorizes localities to adopt this list, modify it, or invent their own.

Where is the interest in “just cause eviction”?

This bill marks the tenth time since 2008 that the General Assembly has considered just cause eviction legislation, 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.

Neighboring cities Washington, D.C. (1985) and Philadelphia (2018) have adopted just cause eviction policies. New Hampshire (2015), California (2019), Oregon (2019), and Washington (2021) have recently enacted statewide just cause legislation. New Jersey adopted just cause requirements as part of worker protection legislation in 1974.

Commented [A1]: The Governor’s Landlord Tenant Commission recommended a Just Cause statute in 1978.

What is the impact of “just cause eviction” policy?

New Jersey’s just cause law, over many decades, demonstrates that the benefit of just cause outweighs hypothetical constraints on development. “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.”¹

Research shows that just cause eviction policy is unlikely to impede development of new rental housing. Analyzing new housing permits issued from 2011 to 2017 in the Bay Area, researchers at the University of California at Berkeley found that the number of permits issued was not statistically different in cities with just cause eviction policies compared to those without such policies.² The researchers noted that just cause eviction policies may not play an important factor in new development because they do not directly regulate the rent levels that a property owner can charge.³

¹ Henry Grabar, “New York Needs to Learn a Housing Lesson From ... New Jersey?” Slate.com, Feb. 8, 2022, <https://slate.com/business/2022/02/new-york-good-cause-eviction-new-jersey-housing.html>.

² Miriam Kurland and Galen Painter, “Just Cause Eviction and New Housing Construction in the Bay Area,” Turner Center for Housing Innovation at UC Berkeley (Feb. 2018).

³ *Id.*

While just cause eviction policies have no demonstrated negative impact on development, they have shown positive impact on the stability of housing and community for low-income renters.

Looking at four localities in California, a [2019 Princeton/Eviction Lab](#) study found that “just cause eviction ordinances have a statistically significant negative effect on eviction and eviction filing rates” and concluded that “[g]iven 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.”⁴

Additionally, recent analysis demonstrates that just cause policies “help the lowest socioeconomic status residents remain in gentrifying neighborhoods, where displacement pressures may be especially strong for vulnerable residents.”⁵ Assessing nine “hot-market areas,” researchers from Berkeley’s Urban Displacement Project, the Changing Cities Research Lab at Stanford University, and the Federal Reserve Bank of San Francisco found that “just cause can reduce the likelihood of displacement by up to 1% for the lowest income residents.” They concluded that while just cause laws do not encourage new low-income residents to move into a jurisdiction, “[r]enters make fewer downward moves from neighborhoods where more units are covered by just cause protections—suggesting people are able to make planned moves.”⁶

Just cause policy in practice

In August 2022, MLA client “Ms. J” received a 60-day notice to vacate her rental unit. Ms. J had complained repeatedly to the landlord that a neighbor was harassing her. The neighbor had falsely accused Ms. J of selling drugs and gone to other lengths to intimidate her. After several months of Ms. J’s complaints to management, an attorney for the owner issued the non-renewal notice. MLA contacted opposing counsel, who conveyed that the owner had no stated reason for wanting to evict Ms. J. They had the option not to renew her lease for no cause and were going to take it.

There was one issue that the owner’s attorney had not accounted for: this was a mobile home park, and Maryland law requires a mobile home park owner to satisfy at least one of four enumerated causes for eviction.⁷ When the owner realized they lacked a statutory cause to evict Ms. J, the parties negotiated a

⁴ Julietta Cuellar et al., “The Effect of Just Cause Eviction Ordinances on Eviction in Four California Cities,” *Journal of Public and International Affairs* 31 (2020): 99-125, available at <https://jpia.princeton.edu/news/effect-just-cause-eviction-ordinances-eviction-four-california-cities>.

⁵ Karen Chapple et al., “Housing Market Interventions and Residential Mobility in the San Francisco Bay Area,” Federal Reserve Bank of San Francisco, March 15, 2022, https://news.berkeley.edu/story_jump/how-housing-production-policies-impact-displacement.

⁶ *Id.*

⁷ Md. Code Ann., Real Prop. art. § 8A-1101.

new lease. Absent the for-cause requirement in the applicable eviction law, Ms. J certainly would have been evicted from the home simply for complaining about harassment.

SB0504 ensures local legislatures can pass enforceable laws whereby no one is arbitrarily deprived of their housing. This enabling legislation recognizes that local legislatures desire to stabilize rental housing so that residents are able to contribute 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.

Maryland Legal Aid urges the Committee to issue a FAVORABLE report on Senate Bill 0504. If you have any questions, please contact:

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