



**LAWYERS' COMMITTEE FOR
CIVIL RIGHTS
U N D E R L A W**

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.¹ 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.”²

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**

¹ 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>.

² See Cuellar, *supra* note 1.

³ 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>.

⁴ 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.**

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.B25032; 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.