



**House Bill 477 – Landlord and Tenant – Residential Leases and Holdover Tenancies – Local Just Cause Termination Provisions**

**Position: Unfavorable**

Maryland REALTORS® oppose HB 477 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 as agreed to by both parties. 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 “substantial” breach of the lease or causes “substantial” 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.

HB 477 would still permit a tenant to automatically renew a lease in situations where the tenant breaches the lease, but the breach is not substantial. Under the bill, a tenant may engage in repetitive small breaches of the lease like late payments, noise complaints, pest control, etc, with little recourse from the landlord. Some of these breaches are likely to generate complaints from the other tenants or even neighbors.

HB 477 will limit landlords’ property rights in their own property and fundamentally alter a leasehold estate. For these reasons, the REALTORS® recommend an unfavorable report.

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