



**HB 477 - Landlord and Tenant - Residential Leases and Holdover Tenancies - Local Just Cause
Termination Provisions
Environment & Transportation Committee
February 13, 2024
SUPPORT**

Chair Korman, Vice-Chair Boyce and members of the committee, thank you for the opportunity to submit testimony in support of House Bill 477. This bill authorizes a county (including Baltimore City) 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.

The CASH Campaign of Maryland promotes economic advancement for low-to-moderate income individuals and families in Baltimore and across Maryland. CASH accomplishes its mission through operating a portfolio of direct service programs, building organizational and field capacity, and leading policy and advocacy initiatives to strengthen family economic stability. CASH and its partners across the state achieve this by providing free tax preparation services through the IRS program 'VITA', offering free financial education and coaching, and engaging in policy research and advocacy. **Almost 4,000 of CASH's tax preparation clients earn less than \$10,000 annually. More than half earn less than \$20,000.**

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 HB 477, local efforts are stymied by legal concerns around preemption. We urge the Committee to move HB 477 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.

HB 477 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. HB 477 defines what "just cause" is but does not impose specific contours for just cause to permit counties to decide. Instead, HB 477 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. HB 477'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"?

Creating Assets, Savings and Hope



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 2019 Princeton/Eviction Lab study finds that "just cause eviction ordinances have a significant and noticeable effect on eviction and eviction filing rates. Given the budget limitations of many states and municipalities to fund other solutions to the eviction crisis, passage of just cause eviction ordinances appears to be a relatively low-cost, effective policy solution."

HB 477 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. HB 477 ensures local legislatures can pass enforceable laws whereby no one is arbitrarily deprived of their housing.

CASH is a member of the Renters United Maryland coalition and asks that the Committee issue a report of FAVORABLE on HB 477.