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TESTIMONY ON HB477 - POSITION: FAVORABLE WITH AMENDMENTS
Landlord and Tenant – Residential Leases and Holdover Tenancies – Local Good Cause Termination Provisions

TO: Chair Smith, Vice Chair Waldstreicher, and members of the Judicial Proceedings Committee

FROM: Jeffrey S. Rubin

My name is Jeffrey S. Rubin. I am a resident of District 15. I am submitting this testimony in support of HB477, Landlord and Tenant – Residential Leases and Holdover Tenancies – Local Good Cause Termination Provisions.

The home is a focal point for a web of social interactions that includes friends, neighbors, schools, and other civic institutions. It follows that individuals, their families, and entire communities fall apart as a result of eviction. 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.

HB477 is designed to allow local jurisdictions to choose to enact protections for tenants, 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 make other use of the property. However, it does not permit the landlord to displace renters in the absence of a good cause.

This has become an even more pressing issue in jurisdictions like Montgomery County that have adopted a policy of rent stabilization. Some landlords may be tempted not to renew a tenant's lease as a way to circumvent the rent stabilization policies. Unfortunately, there also are instances when landlords choose not to renew a lease to rid themselves of residents who ask for repairs of unhealthy, substandard housing.

An amendment in the House exempted landlords who own five or fewer units in a particular county. When determining whether a landlord has six or more units, the term "landlord" should include anyone who has an ownership interest in the landlord when the landlord is an

LLC or partnership. Otherwise, an unscrupulous individual could own hundreds of separate units through distinct LLCs and avoid the law.

In its current form, HB477 lacks a verifiable standard for determining when a tenant is habitually late on the rent, one of the “Good Causes”. I suggest that an objective standard for late rent would be whether the landlord has obtained four or more rent judgments in the past twelve months.

With these amendments, HB477 would provide much needed security for tenants, while acknowledging the needs and rights of landlords. **I respectfully urge this committee to return a favorable report on HB477 with amendments that close the LLC loophole and provide an explicit standard to define late rent as proposed above.**