



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

Position: Unfavorable

Maryland REALTORS® oppose HB 477 which would authorize local government to pass “Good Cause” eviction laws. This enabling legislation undermines 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.

HB 477, even as amended by the House, removes the certainty of the end of the lease as agreed to by both parties. Unless a landlord exercises certain “Good 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. Although the termination date of the lease will apply to landlords regardless of why a tenant decides to move on, the termination date may not apply to the tenant who will largely be in control of when that lease termination takes place. As long as tenants meet the established criteria set forth in the bill, tenants will not be subject to the lease’s termination date.

Although rental properties subject to HUD regulations already comply with federal “Good Cause” holdover provisions, those provisions exist because the landlord is receiving compensation from the government. As such, the landlord is subject to different HUD rules including different rules on inspection, lease agreements and other matters.

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

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