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Disability Rights Maryland

HB 477 - Landlord and Tenant - Residential Leases and Holdover Tenancies - Local Just Cause Termination Provisions

**Hearing before the Senate Judicial Proceedings Committee
April 2, 2024 at 1:00PM**

Disability Rights Maryland is **part of Renters United Maryland and urges you to move favorably on HB 477**. HB 477 is enabling legislation that would give authority to Maryland counties to establish “just cause” or “good cause” limitations on lease non-renewals. The bill has been significantly amended in the House to define and expand the list of what constitutes a “good cause” and to exempt owners of five (5) or fewer units. **Without this enabling bill, counties are preempted from enacting legal protections for Maryland families who face increasingly unstable housing and fears of retaliation and displacement.**

We also urge you to support sponsor amendments that would close the Corporate Landlord Loophole – allowing corporate landlords to claim that they are exempt small landlords when they are not (p. 3, line 31) – and better define “habitual failure to pay rent” by the number of rent judgments that the tenant has rather than the ambiguous statement in the current bill (p.5, line 5).

Disability Rights Maryland (DRM) is the federally designated Protection & Advocacy agency¹ in Maryland mandated to advance the civil rights of people with disabilities. One of DRM’s goals is to end the unnecessary segregation and institutionalization of Marylanders with disabilities. To that end, DRM’s Housing and Community Inclusion team works to expand housing opportunities for Marylanders with disabilities and to maintain housing stability to ensure people with disabilities can participate fully in all aspects of community life, and have equal access to opportunities. The estimated 45 million Americans with disabilities² are more likely than their non-disabled peers to experience unemployment and poverty and, nationwide, more than 4.2 million people with disabilities spend more than half of their income on rent.³ In Maryland, most of the estimated 399,500 low-income residents who spend more than half of their income on rent receive no rental assistance due to funding limitations.⁴ While housing discrimination against people with disabilities is prohibited under federal law, it remains distressingly common: in 2019,

¹ For more information on Protection & Advocacy agencies, see NATIONAL DISABILITY RIGHTS NETWORK, <https://www.ndrn.org/> (last visited June 18, 2021).

² 13.5% of the 333.29 million individuals in the U.S. population are people with disabilities. DISABILITY IN THE U.S. – STATISTICS AND FACTS (2023), <https://www.statista.com/topics/4380/disability-in-the-us/#topicOverview> (last visited February 8, 2024).

³ More than 4.2 million (18% of 23.4 million low-income renters) people with disabilities nationwide pay more than half of their income on rent. CENTER ON BUDGET AND POLICY PRIORITIES, UNITED STATES FEDERAL RENTAL ASSISTANCE FACT SHEET (2022), [12-10-19hous-factsheet-us.pdf \(cbpp.org\)](https://www.cbpp.org/sites/default/files/atoms/files/12-10-19hous-factsheet-us.pdf) (last visited February 8, 2024).

⁴ CENTER ON BUDGET AND POLICY PRIORITIES, MARYLAND FEDERAL RENTAL ASSISTANCE FACT SHEET (2022), <https://www.cbpp.org/sites/default/files/atoms/files/12-10-19hous-factsheet-md.pdf> (last visited February 8, 2024).

about 59% of all housing discrimination complaints brought to private Fair Housing Organizations (FHOs) and state and federal agencies were based on disability.⁵ Eviction - including non-renewal of a lease without cause - can result in homelessness or institutionalization, exacerbating an individual's disabilities, and worsening health outcomes.

What is "just cause" policy and why is it needed? Maryland is currently a "no cause" state – that is, a landlord can decide to non-renew a lease without "just cause." This means that renters of all types face the constant threat of displacement, even when they follow all the rules. They are under constant pressure to accept declining conditions, arbitrary policies, and increasing rents. Or, they can speak up and face a likely "non-renewal" at the end of their lease and displacement from their community.

Why this legislation now? Maryland has seen a spike in the number of no-cause, evictions filed as "Tenant Holding Over" complaints – which have increased 117% on average each month since 2020. This mirrors a national trend in which "[n]early half of U.S. renter households reported experiencing significant pressure to move during the previous 6 months."⁶ **In addition to increasing rents and fewer market options, Maryland families face the specter of non-renewal and displacement now more than ever.**

A "just cause" requirement for non-renewal addresses this uncertainty by providing that a landlord must have a legitimate reason for non-renewal, which they must disclose. Requiring landlords to disclose the reason for a lease non-renewal helps ensure that no eviction takes place under a cover of silence that can hide discriminatory intent. HB 477's list reflects the policies other U.S. jurisdictions have enacted.

Why a Local Enabling bill? Since 2008, just cause eviction legislation has been introduced nine 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.

Based on available research, **Maryland is one of only six (6) states in the country that preempts localities from enacting just cause eviction policies.** Due to our varied local jurisdictions, from highly populated urban areas to less populated rural counties, it makes sense for Maryland to allow local governments to figure out what works best for their housing markets and policy goals. Other states, such as Pennsylvania, have authorized localities to pass their own just cause eviction laws. At least five (5) states, the District of Columbia (since 1985), and 16

⁵ NATIONAL FAIR HOUSING ALLIANCE, FAIR HOUSING IN JEOPARDY: TRUMP ADMINISTRATION UNDERMINES CRITICAL TOOLS FOR ACHIEVING RACIAL EQUITY 34 (2020), <https://nationalfairhousing.org/wp-content/uploads/2020/09/NFHA-2020-Fair-Housing-Trends-Report.pdf>.

⁶ HUD Office of Policy Development and Research, "Pressure to Move and Forced Moves Among U.S. Renter Households: Findings From New Questions in the Household Pulse Survey" (Sept. 19, 2023) (based on June-Aug. 2023 data).

localities including Philadelphia (since 2018) have adopted just cause eviction laws. New Jersey's just cause law (since 1974) demonstrates that a "just cause" requirement for non-renewal has benefits that far outweigh any presumed negative impact to 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, a [2019 Princeton/Eviction Lab](#) study of four (4) localities in California 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."

Finally, HB 477 recognizes that local legislatures want options to assist renters in achieving stable housing so that they are able contribute long-term to the local economy and the community, and to maintain consistency for their children. Requiring just cause as a precondition for an eviction can be a tailored policy that boosts the stability of families, neighborhoods, communities and the locality itself.

Disability Rights Maryland is a member of Renters United Maryland, and urges the Committee's report of Favorable on HB 477.

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