



C. Matthew Hill
Attorney
Public Justice Center
201 North Charles Street, Suite 1200
Baltimore, Maryland 21201
410-625-9409, ext. 229
hillm@publicjustice.org

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

Position: SUPPORT (FAV)

Public Justice Center is part of Renters United Maryland and urges you to move favorable 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 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. **Colorado just days ago passed a statewide “just cause” eviction bill. Maryland needs to catch up!**

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).

Public Justice Center (PJC) is a nonprofit public interest law firm that assists over 800 renters and their families each year. We stand with tenants to protect and expand their rights to safe, habitable, affordable, and non-discriminatory housing. PJC seeks the Committee’s Favorable report on HB 477.

American Bar Association Supports “Just Cause” Eviction Policy

In 2022, the American Bar Association (ABA) endorsed “just cause eviction” policies as one of [“Ten Guidelines for Residential Eviction Laws.”](#) As reported in the ABA resolution:

When such good cause requirements are absent renters and their families lack basic security of tenure. Forcing a household to relocate imposes significant disruption and potential hardship on the tenant, and should not be allowed without a legitimate reason. Allowing eviction without cause invites abuse, enabling a discriminatory, retaliatory, or otherwise illegitimate motive for ending a tenancy to be easily concealed behind a “no cause” eviction.

American Bar Association, House of Delegates Resolution 612, 9-10.

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 without any stated cause. This means that working families and their children face the constant threat of displacement, even when they follow all the rules. They are under constant pressure to stay quiet and accept declining conditions, arbitrary policies, and increasing rents just to stay in their communities and keep their children in their local school. Or, they can speak up – on their own or as a group – 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 known as “Tenant Holding Over” evictions– a 117% increase in average Tenant Holding Over complaint filings 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.”¹ **In addition to increasing rents and fewer market options, Maryland families face the specter of non-renewal and displacement now more than ever.**

“Good cause” addresses this uncertainty by providing that a landlord must disclose the reason for choosing not to renew. HB477 as amended by the House provides a list for what constitutes “good cause,” if adopted by a county, including substantial lease violations, illegal activities, removal of the property from the market, or personal use of the property by the owner. 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.

Will Just Cause Eviction Drive Up Landlord Litigation Costs? No. If a tenant refuses to vacate after the landlord gives the tenant a notice, then the landlord has to go to court **regardless**

¹ 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) (June-Aug. 2023 data).

and file a Tenant Holding Over complaint. Just cause eviction law does not change this at all. With just cause eviction law, though, the landlord will have to *state the reason why* they want the tenant to vacate. This transparency encourages tenants to speak up about defective housing conditions and organize with their neighbors without fear of arbitrary or discriminatory non-renewal. Additionally, Lease Non-renewal Evictions (also called “Tenant Holding Over”) account for about 4,000 eviction warrants/year. This is a tiny number of renter households compared to the 400,000+ Failure to Pay Rent evictions or 750,000+ renter households. The impact of just cause eviction is minimal overall for landlords.

Why a Local Enabling bill? Since 2008, just cause eviction legislation has been introduced 9 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.

Based on available research, **Maryland is one of only 6 states in the country that preempts localities from enacting just cause eviction policies.** Other states at least allow localities to pass their own just cause eviction laws. Pennsylvania is a good example. It has allowed Philadelphia to pass a just cause eviction law to promote greater housing stability. If this body has concerns about just cause eviction policy, it should allow localities to see what works best for their housing market and policy goals. At least 5 states, the District of Columbia (since 1985), and 16 localities including Philadelphia (since 2018) have adopted just cause eviction laws. New Jersey’s just cause law (since 1974) 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.”

Public Justice Center is a member of Renters United Maryland, and **we urge the Committee’s report of Favorable on HB 477.**