

Department of Legislative Services
Maryland General Assembly
2021 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 574
(Montgomery County Delegation)
Environment and Transportation

Montgomery County Stable Homes Act MC 8-21

This bill prohibits a landlord from evicting a tenant in Montgomery County without specified “just cause” (subject to specified exceptions) and without providing 60 days’ notice. The bill also requires the Montgomery County Executive to report, and make publicly available, information related to evictions in Montgomery County, as specified. The bill’s provisions, with the exception of the reporting requirements applicable to the Montgomery County Executive, apply (1) to any residential lease in Montgomery County executed on or after October 1, 2021, and (2) beginning October 1, 2021, to any residential lease in Montgomery County that was executed before that date, if the lease has expired and resulted in a holdover tenancy after October 1, 2021.

Fiscal Summary

State Effect: None.

Local Effect: The bill is not anticipated to materially affect local government operations or finances in Montgomery County. The bill’s reporting requirement is expected to be handled with existing resources.

Small Business Effect: Potential meaningful.

Analysis

Bill Summary: “Evict” means to take any action against a tenant to terminate the tenancy against the tenant’s will. “Leased premises” means a dwelling unit that is subject to a residential lease.

Under the bill, “just cause” exists if any of the following occurs during the lease or the holdover period:

- a tenant has caused a substantial breach of the lease or substantial damage to the premises or another area of the property and, after receiving notice to correct the breach or pay the reasonable repair costs, the tenant fails to comply within 30 days;
- 30 days after receiving notice to cease, a tenant continues to engage in disorderly conduct that disturbs the peace and quiet of other tenants;
- a tenant has engaged in illegal activity on the leased premises, another area of the property, or on a public right-of-way adjacent to the leased premises;
- a tenant, without reasonable cause, refuses to grant the landlord access to the leased premises to make repairs or improvements, to inspect the leased premises, or as otherwise authorized under the residential lease or applicable law;
- a landlord, in good faith, seeks to recover possession of the leased premises for use by the landlord or the landlord’s spouse, child, parent, or grandparent;
- a landlord, in good faith, seeks to permanently remove the leased premises from the rental market; or
- a landlord, after having obtained all necessary permits, seeks to undertake substantial repairs or renovations that cannot be completed while the leased premises are occupied.

Just cause is not required if (1) the property is owner-occupied and the landlord leases out only a single rental unit; (2) the tenant’s initial lease was conditioned on employment for the landlord and the tenant’s employment is terminated; or (3) the landlord owns no more than two single-family rental properties.

A landlord may file to evict a tenant only after providing the tenant with at least 60 days’ notice, sent to the tenant by first-class mail with a certificate of mailing in writing. The notice must state the just cause on which the action to evict is based. The basis for just cause must also be included in the complaint to evict that is filed in the Montgomery County District Court. The landlord must plead and prove the specific facts that demonstrate the just cause on which the complaint is based.

The bill also requires, in Montgomery County, the basis for just cause to be included in the existing notice that must be given – by a landlord seeking to repossess a leased property at

the expiration of a lease term or under a tenancy at will – to the tenant or person actually in possession of a property a specified amount of time before (1) the expiration of the term of the tenancy or (2) the time the landlord seeks to repossess the property if it is a tenancy at will.

Intent of the General Assembly

The bill expresses legislative intent that (1) the Montgomery County Executive update all information provided by the Montgomery County Executive concerning the rights of residential tenants to include the rights provided under the bill and (2) a landlord of residential property in Montgomery County provide a current or prospective tenant with information concerning the rights of tenants under the bill when any residential lease is executed or renewed on or after the bill's effective date.

Information Required to Be Reported and Made Publicly Available

The Montgomery County Executive must, to the extent practicable, on or before September each year, make publicly available on the Montgomery County Executive's website, and report to the Montgomery County Council, and the members of the Montgomery County Delegation to the General Assembly, the following information from the Clerk of the Montgomery County District Court and the Montgomery County Sheriff's Office:

- the number of complaints filed by a landlord during the preceding calendar year to repossess the premises for specified reasons;
- the number of warrants of restitution issued by the sheriff during the proceeding calendar year for specified reasons;
- the number of warrants of restitution that resulted in eviction for specified reasons; and
- the total number of tenants who were evicted during the preceding calendar year categorized by the basis for just cause listed.

Current Law:

Repossession for Breach of Lease

When a lease allows a landlord to repossess a property because a tenant breaches the lease, the landlord may file a complaint in the District Court of the county where the property is

located if specified requirements are met. Once the tenant breaches the lease, the landlord is generally required to give the tenant 30 days' written notice that the tenant is in violation of the lease and that the landlord wants to repossess the premises. However, the landlord is required to give only 14 days' written notice of a violation of the lease and that the landlord wants to repossess the premises, if the violation involves dangerous behavior by a tenant or another person on the property with the tenant's consent. The behavior must demonstrate a clear and imminent danger of the tenant or person doing serious harm to himself/herself, other tenants, the landlord, the landlord's property or representatives, or any other person on the property. Once the notice period expires, the landlord may file the complaint if the tenant or person in actual possession refuses to comply.

Repossession at End of a Lease Term or Under a Tenancy at Will

A landlord that seeks to repossess leased property under a tenancy at will or after the expiration of the term of tenancy (under a tenancy for a definite term) must give notice to the tenant or person actually in possession of the property one month before (1) the expiration of the term of the tenancy or (2) the time the landlord seeks to repossess the property if it is a tenancy at will. If the tenant or person in actual possession refuses to comply, the landlord may make a complaint in writing to the District Court. However, with the exception of specified farm tenancies, in the case of tenancies from year to year, the notice must be given three months before the expiration of the current year of the tenancy; and in monthly or weekly tenancies, a notice in writing of one month or one week, respectively, must be given. In Montgomery County, except in the case of single-family dwellings, the notice by the landlord must be two months in the case of residential tenancies with a term of at least month to month but less than from year to year.

Small Business Effect: Landlords who qualify as small businesses may lose revenue as a result of the bill's specified required elements to establish "just cause" and the extension of the period of time a landlord must wait after providing specified notice before filing an action to evict a tenant.

Additional Information

Prior Introductions: HB 821 of 2020, a similar bill, received a hearing in the House Environment and Transportation Committee, but no further action was taken. HB 628 of 2019, a similar bill, received an unfavorable report from the House Environment and Transportation Committee. HB 995 of 2018, also a similar bill, was withdrawn.

Designated Cross File: None.

Information Source(s): Montgomery County; Judiciary (Administrative Office of the Courts); Department of Legislative Services

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Analysis by: Donavan A. Ham

Direct Inquiries to:
(410) 946-5510
(301) 970-5510