



# Montgomery County

## Office of Intergovernmental Relations

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**HB 821**

**DATE: March 10, 2020**

**SPONSOR: Montgomery County Delegation**

**ASSIGNED TO: Environment and Transportation**

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**POSITION: SUPPORT WITH AMENDMENTS**

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### Montgomery County Stable Homes Act MC 12-20

House Bill 821 prohibits a landlord in Montgomery County from evicting a tenant holding over in the absence of “just cause.” Under the bill, just cause exists if: (1) a tenant has caused a substantial breach of the lease or substantial damage to the leased premises or another area of the property and after receiving notice to cure or correct the breach or pay the cost of repair the tenant fails to comply within 30 days; (2) 30 days after receiving notice to cease, a tenant continues to engage in disorderly conduct; (3) a tenant has engaged in illegal activity on the leased premises or on a public right of way abutting the leased premises; (4) a tenant, without reasonable cause, refuses to grant the landlord access to the leased premises for repairs, improvements or inspection of the leased premises; (5) a landlord, in good faith seeks to recover possession of the premises for use by the landlord’s family member; (6) a landlord in good faith seeks to permanently remove the leased premises from the rental market; or (7) a landlord, after obtaining all necessary permits, seeks to undertake substantial repairs or renovations that cannot be completed if the premises are occupied.

Just cause is not required for eviction if: (1) the property is owner-occupied and the landlord leases out a single unit; or (2) the tenant’s initial lease was conditioned on employment for the landlord and the tenant’s employment is terminated.

Under current local law, in Montgomery County, a landlord must provide 60 days’ notice if the landlord does not intend to offer the existing tenant a renewed lease term. If a tenant remains in possession of the leased premises after the expiration of the lease term and the landlord wants to repossess the premises, the tenant is considered to be “holding over” under current State law. If a tenant holds over, the tenant becomes a month-to-month tenant, but all other terms of the expired lease remain in effect (albeit monthly). A landlord may file a complaint in District Court if a tenant refuses to relinquish possession at the end of the lease term. If the landlord proves proper notice, the lease term fully expires, and the tenant remains in possession of the premises, the Court will issue a judgment for possession in favor of the landlord.

House bill 821 makes significant changes to the tenant holding over process in Montgomery County. A landlord will no longer be able to evict a tenant for holding over, absent an enumerated just cause. Under the bill, a tenant could continue to stay in possession of the property indefinitely after expiration of the lease, as a month-to-month tenant, subject to eviction for just cause as long as the tenant continues to pay the required rent.

If a landlord believes that a just cause has occurred, then the landlord can file a complaint with the District Court to evict the tenant 60 days after providing the tenant written notice via certified mail. If the landlord proves to the Court that the specified just cause occurred, then the Court will grant the eviction.

This bill also requires the Housing Opportunities Commission (HOC) to the extent practicable, to collect and report to the County Executive, County Council, and members of the Montgomery County Delegation to the General Assembly: (1) the number of tenant evictions that occurred during the preceding year; (2) the number of complaints filed by a landlord during the preceding calendar year to repossess for failure to pay rent or holding over; (3) the number of tenants who breached the lease; (4) the number of tenants evicted during the preceding year who receives social security benefits, supplemental nutritional assistance program benefits, or utilized an HOC program; (5) the size of each family evicted during the preceding year; and (6) the age of each individual evicted during the preceding year. In reporting this information, the HOC must also report the individual's race and gender while ensuring the tenants privacy by aggregating the information collected, if necessary.

Montgomery County supports House Bill 821 with the amendments approved by the Montgomery County House Delegation. These amendments: (1) add habitual failure to pay rent as a just cause; (2) strike the reporting requirements assigned to the HOC and reassign those requirements to the Montgomery County Executive; and (3) create an exemption for landlords that own two or fewer single-family rental properties.