

## Maryland Legislative Action Committee The Legislative Voice of Maryland Community Association Homeowners

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January 27, 2020

Hon. Kumar Barve
Kumar.barve@house.state.md.us
6 Bladen St
Annapolis, MD 21401

RE: HB0821

Montgomery County Stable Homes Act MD 12-20 Hearing Date: March 10, 2020 at 1:00 p.m.

**Position: Oppose** 

Dear Del. Barve, Members of the Montgomery County Delegation and Environment & Transportation Committee Members:

This letter is submitted on behalf of the Maryland Legislative Action Committee ("MD-LAC") of the Community Associations Institute ("CAI"). CAI represents individuals and professionals who reside in or work with condominiums, homeowners' associations and cooperatives throughout the State of Maryland.

House Bill 0821 essentially seeks to create what was commonly referred to in the District of Columbia as life tenants. It is widely held that a landlord who rents for a specified period can decide not to renew a lease and has the right to end that tenancy without challenge by the tenant. After the lease continues, for example on a month-to-month basis, the tenant may challenge that the termination was retaliatory for actions such as the tenant calling housing inspectors or regularly paying late.

This bill would require an affirmative cause for a landlord to terminate at any point and those causes are broadly defined as substantial breach, disorderly conduct, denied access or substantial permitted renovations. Such requirements can be onerous for a landlord to prove and can delay removal of a tenant who poses a serious threat of continued property damage or other consequences to the landlord.

While the CAI MD-LAC is primarily concerned with the impact on community associations, I, as author of this letter, have engaged in residential rental management for over 35 years in Montgomery County as

well as other Maryland counties and the District of Columbia. I have experience situations that would have been detrimentally impacted by the requirements of this bill. For example, I had a Montgomery County tenant who after only two weeks had cause extensive property damage. Ultimately, she was removed from the property with over \$30,000 in damage having been done, much of which occurred in the first two weeks. We are regularly faced with unauthorized pets, unauthorized residents & overcrowding. Rarely are these conditions corrected after notice, so we would have to endure for an extended period.

From the condominium & homeowners association perspective, tenants can cause rules violations that can result in recurring or daily fines against an owner. Pets can cause injury to other residents. The vague term disorderly conduct may, under recent interpretations, constitute a fair housing violation against another resident thereby creating liability for associations and their management. Denied access can result in continued leaks of water and sewage to one or more floors below.

The bill allows lease termination for substantial renovations after permitting. Permits are not required for all renovations: drywall, carpet, windows, roof, mold remediation and some kitchen & bath remodeling. Some less substantial renovations that do not require permits can cause health risks to occupants (ie: lead paint and mold remediations). This has been an issue in the District of Columbia—defining substantial renovation is subject to interpretation.

Additionally, we note that the bill requires 30-day notice to cure only after which can we issue a 60-day notice of intent to file for eviction and then we will endure this tenancy for another 45-90 days while we go through the process. In that time, catastrophic damage can be experience, other residents can be forced to endure disturbance, associations may levy thousands in fines.

The bill exempts landlords who rent only one unit, but it is unclear whether this is intended to make the law applicable only to multi-family units or whether owners of multiple single-unit properties throughout Montgomery County, the State or the world would be exempt.

The CAI MD-LAC opposes this bill. Landlords are already subject to scrutiny when evicting a holdover tenant and that should suffice. The onerous requirements to prove substantial breach, nuisance and the extensive delays this bill would cause in removing a tenant who denies access or violates the rights of others are simply unnecessary.

We are available to answer any questions the Committee Members may have. Please do not hesitate to contact Lisa Harris Jones, CAI MD-LAC lobbyist, at 410-366-1500 or by email at <a href="mailto:lisa.jones@mdlobbyist.com">lisa.jones@mdlobbyist.com</a>; or Steve Randol, CAI MD-LAC Chair, by email at srandol@pineyorchard.com or Chris Majerle, PCAM at 240-387-4742 or by email at <a href="mailto:cmai

Sincerely,

Steven Randol
Chair, CAI MD-LAC

Chris Majerle

Chris Majerle, PCAM

CAI is a national organization dedicated to fostering vibrant, competent, harmonious community associations for more than thirty years. Its members include community association volunteer leaders, professional managers, community management firms, and other professionals and companies that provide products and services to common interest associations. As part of its mission, CAI advocates for legislative and regulatory policies that support responsible governance and effective management. As part of this purpose state Legislative Action Committees represent CAI members before state legislatures and agencies on issues such as governance, assessments collection, insurance and construction defects.