



**House Bill 1283**  
**Real Property – Residential Leases – Rent Restrictions**  
Before the House Environment and Transportation Committee  
March 2, 2021

Position: SUPPORT  
(with Sponsor's amendments)

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Renters United Maryland (RUM) is a statewide coalition of renters, organizers, and advocates for safe, stable housing. We stand on the principle that housing is a human right that is critical to an individual's quality of life, the health of families, and the prosperity of communities. The undersigned members of Renters United Maryland urge a FAVORABLE report on HB 1283.

Amid scarce affordable rental housing throughout Maryland, renters are fortunate to find a home that they can afford. Quickly, however, rent increases often plunge a stable home into a destabilization. A household's employment, schooling, access to healthcare, or familial and community connections are disrupted. Unpaid rent leads to repeated eviction actions, triggering the long-term damage of the "Scarlet E" on their rental and consumer histories. **By capping rent increases at 3% (in most instances), HB 1283 provides a targeted, practicable tool to maintain affordable rents in existing affordable housing stock.** This bill also helps protect renters from retaliatory or punitive rent increases.

Following the Sponsor's amendments, HB 1283 establishes emergency and non-emergency caps on rent increases:

- The bill sets forth a non-emergency rent increase cap at no more than a **3%** per year, or no more than 1.5% per 6 months on month-to-month tenancies.
  - To allow a rental property to catch up to fair market value, the rent increase cap extends to 5% as necessary to reach market value.
- In a declared state of emergency, the allowed increase is capped at 0.4% increase per year, or no more than 0.2% per 6 months for month-to-month tenancies.

These caps apply only to properties that are **35 years old or older** and only to rents up to **\$2,250**. Tailored in this way, HB 1283 focuses on "Class C" properties that are most likely to be affordable to low-to-moderate-income households and is unlikely to inhibit new development.

***HB 1283 is needed because affordable rentals are and will remain hard to secure***

As summarized in the recently released [2020 Maryland Housing Needs Assessment](#), nearly half of all Maryland renter households (335,000 out of 716,000) are "cost burdened," meaning they pay more than 30% of income on housing.<sup>1</sup> Among cost-burdened renter households, half are

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<sup>1</sup> National Center for Smart Growth and Enterprise Community Partners, Inc., *2020 Maryland Housing Needs Assessment & 10-Year Strategic Plan 23* (Dec. 2020), <https://dhcd.maryland.gov/Documents/Other%20Publications/Report.pdf>.

“severely” burdened, paying more than 50% of income toward housing costs.<sup>2</sup> Montgomery, Prince George’s, and Baltimore counties and Baltimore City account for almost 70% of Maryland’s severely cost-burdened households.<sup>3</sup>

At the individual level, the cost of rental housing ensures that working families and seniors cannot make ends meet. According to the [National Low-Income Housing Coalition’s Out of Reach 2020 report](#), a worker earning the mean renter wage (\$18.16) can afford only \$944 in monthly rent, well below the state’s fair market rent (\$1,459) for a 2-bedroom rental. A minimum-wage worker would have to work the equivalent of 2.1 jobs (85 hours each week) to afford 1-bedroom unit at fair market rent (\$1,223).

Assuming that “Maryland’s income distribution across households remains largely unchanged over the next 10 years,” the Housing Needs Assessment projects that by 2030, Marylanders “will fall into one of two main income groups: 1) extremely and very low-income households (97,166 households) and 2) moderate- and high-income households (111,620 households).” The report estimates that among extremely and very low-income households, most new households “will face increased competition for a small number of affordable homes and high rates of cost-burden, if affordable units aren’t available” over the course of this decade.<sup>4</sup> Currently, a scarcity rental housing for very low-income renters (those earning 50 percent AMI or below) exists in these counties: Montgomery, Baltimore, Howard, Anne Arundel, Prince George’s, Wicomico, Charles, Talbot, Harford, Caroline, Dorchester, Somerset, and Calvert (in order from largest to smallest deficits).<sup>5</sup>

Although new construction provides one key solution to unaffordability, we recognize the financial and political impediments to building affordable housing at the level that Maryland needs. In the meantime, Maryland renters live in constant jeopardy of rent hikes. In 2020, the penchant for harmful rent increases in Maryland’s housing market, even amid a public health crisis, necessitated that localities pass emergency caps – such as a 2.6% cap in Montgomery County and a 3% cap in Anne Arundel County. These percentages reflected the annual increase in the rent component of the Consumer Price Index for the prior year. For 2021, that indexed figure fell to 1.6 percent. Using a 3% increase cap, HB 1283 appears to fall well within the range of Consumer Index-based increases.

### ***HB 1283 effectively stops punitive rent increases***

Not all rent increases are routine. Too often, tenants are hit with steep rent increases following their attempts to invoke rights under lease or law. While certain existing statutes provide protection against retaliatory rent increases, these are limited – applying only for 6 months after a specific protected activity, or only if the tenant stays current on their rent.<sup>6</sup> When a renter must decide, for instance, whether to demand mold remediation or HVAC repair, they must weigh the high probability that they will receive a notice of rent increase meant to compel their move-out. HB 1283 would prohibit this kind of weaponized rent increase.

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<sup>2</sup> *Id.*

<sup>3</sup> *Id.*

<sup>4</sup> *Id.* at 19.

<sup>5</sup> *Id.* at 22.

<sup>6</sup> See Md. Code, Real Prop. art. § 8-208.1; Baltimore County Code § 35-4-201(k); Public Local Law of Baltimore City § 9-9(k).

For these reasons, the undersigned member organization of Renters United Maryland urge the Committee's FAVORABLE report on HB 1283 as amended by the Sponsor.

*Maryland Center on Economic Policy*

*Maryland Legislative Coalition*

*Montgomery County Renters Alliance*

*CASA*

*Public Justice Center*

*Homeless Persons Representation Project*

*Maryland Consumer Rights Coalition*

*Santoni, Vocci & Ortega*

*Our Revolution Maryland*

*University of Baltimore School of Law Civil Advocacy Clinic*

*Chesapeake Physicians for Social Responsibility*

*Healthcare for the Homeless*

<https://rentersunitedmaryland.org>

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