



Bill Title: House Bill 574, Montgomery County Stable Homes Act MC 8-21

Committee: Environment & Transportation

Date: February 16, 2021

Position: Unfavorable

This testimony is offered on behalf of Maryland Multi-Housing Association (MMHA). We are a professional trade association established in 1996, whose members consists of owners and managers of more than 210,000 rental housing homes in over 958 apartment communities. Our members house over 538,000 residents of the State of Maryland. Lastly, MMHA represents over 250 associate member companies who supply goods and services to the multi-housing industry.

House Bill 574 prohibits a residential housing provider from evicting a resident in the absence of “just cause” which includes egregious activity by the tenant. In addition to establishing a reporting process, this legislation requires a landlord to provide a tenant 60 days’ notice, if the property owner is seeking to evict. Adding 60 days to an already attenuated failure to pay rent process – which could be 60 to 90 days - further frustrates a landlord’s ability to enforce her rights under a lease and operate her business. We oppose the bill for the following reasons:

- The data fails to support the purpose of the bill. According to the Maryland Judiciary’s statistical abstract for Fiscal Year 2018, 48,713 landlord-tenant cases were filed in Montgomery County that fiscal year. Of those cases, the Department of Legislative Services reports that 47,930 actions were “failure to pay rent” cases. That means, only 783 — or 1.6% of the cases filed in the District Court in FY 2018 were for a reason other than failure to pay rent. The Montgomery County Office of Legislative Oversight Evictions report highlights that for fiscal years 2010-2017, writs of restitution declined by 17% and evictions declined by 19%. In fact, only 800-1,100-- roughly 2% of the 45,000-50,000 cases filed resulted in evictions each year. Additionally, staff of the Montgomery County Commission on Landlord Tenant Affairs reports that from 2002 to 2018, there have been two cases before the Commission alleging retaliatory actions by landlords, with a landlord and tenant each prevailing in one case. While housing providers agree that any instance of eviction is upsetting for a family, the evidence does not support the notion that property management is unlawfully throwing residents onto the streets—in retaliation or otherwise. Further, District Court of Maryland’s Landlord/Tenant Case Activity Report between January 2020 and August 2020, the overwhelming majority of Landlord/Tenant actions filed in Montgomery County were directly related to a resident’s failure to pay rent—18,402 of 18,781 total cases.



- Supports nuisance tenants – House Bill 574 would make it significantly more challenging to remove a nuisance tenant by requiring a housing provider to prove in court one of seven listed reasons considered “just cause” for not renewing a lease. Good tenants expect their respective housing provider to provide them the “quiet enjoyment” of their premises – not to be dragged into court to testify against a problematic neighbor. Neighboring tenants will not testify in most cases for fear of retribution from the problem tenant. However, if the housing provider cannot document and prove the offending behavior, the nuisance tenant will never be removed and the good tenants will suffer, then leave.
- Nuisance laws hold a housing provider responsible – While House Bill 574 makes it harder for housing providers to remove problem tenants, state and local laws hold a housing provider responsible for failure to abate a nuisance on the property and threaten the provider with fines or jail time if they fail to rid the property of the illegal activity. This bill ties the housing provider’s hands and makes the apartment community less safe for other tenants.
- This legislation conflicts with existing state law to the detriment of community safety - If a tenant engages in disorderly conduct that disturbs the peace, the housing provider must provide written, mailed notice to the tenant to cease the conduct within 30 days; and if the problem is not remedied by the tenant over the initial 30 day period, provide another written mailed notice giving 60 days’ notice of their intent to evict the tenant. This language conflicts with existing state law that enables a housing provider to file a case for eviction with 14 days’ notice when a tenant engages in conduct which demonstrates a clear and imminent danger of the tenant doing serious harm to themselves, other tenants, property management staff or other persons. A person firing weapons, engaging in arson, threatening individuals, or other dangerous conduct who could be taken to court in 14 days today will require 90 days’ notice under this bill.
- Non-renewals are infrequent – We know from experience that most tenants are good people who abide by the community rules and pay their rent on time. Housing providers have every reason to keep such tenants. However, each year about one percent of tenants are the subject of repeated neighbor complaints due to their conduct of threatening behavior, noise, illegal activity, or other lease violations. That one percent of tenants is currently issued a 60-day notice to vacate, and the problems are eliminated expeditiously.
- Laws already protect against “retaliatory evictions” – The State and Montgomery County already have robust laws that prohibit an eviction or retaliatory action against a tenant as a result of the tenant:
 - Filing a complaint with the housing provider;
 - Filing a complaint against the housing provider with any public agency;
 - Filing a lawsuit or testifying against the housing provider;
 - Being a member of a tenant’s organization;
 - Exercising their rights under County housing law; or



- Assisting another tenant in exercising their rights.

A housing provider may not, as a retaliatory action, impose an unreasonable rent increase, threaten, coerce, harass, violate privacy, terminate a periodic tenancy, or otherwise reduce the quality or level of services to the tenant. If these laws are violated, the landlord is liable for damages up to three months' rent, reasonable attorneys' fees and court costs.

- Litigation will increase – Under this bill, all violations of the lease must be documented as if the issue will go to court. Ultimately, housing providers would be forced to document files for every problem tenant with the expectation that the case may be headed to court in order to prove that “just cause” existed for not renewing a lease. This inherently raises the cost of owning and managing rental property.
- The bill does not warrant local courtesy – Similar legislation has been considered and rejected many times by the General Assembly, as both a statewide and local Montgomery County bill. This bill is unprecedented in Maryland because it diminishes the rights of rental property owners to have and control the use of their property. A lease is a contract in which a property owner provides housing to a tenant, for a specified period-of-time, in exchange for rent. At the end of the contract, either party, with notice, may choose not to renew. However, this bill would bind one party – the property owner – to provide housing, forever, to a tenant. In effect, this bill would transform a leasehold into a life estate for the tenant. Just as it would be unfair to bind the tenant to renew the lease forever, it is unfair for the General Assembly to bind the property owner to renew the lease forever.

Rental housing providers seek to keep tenants and only choose to remove them when it is absolutely necessary. Turnover is expensive in terms of lost rent, advertising and the cost to prepare the apartment for leasing to a new tenant. In summary, House Bill 574 is unfair to property owners, will damage the economic viability of rental housing in Montgomery County and will make apartment communities less safe. As a business practice, our members want long-term tenants and seek to avoid evictions whenever possible. However, this legislation goes too far and infringes on the property rights of our members.

MMHA respectfully requests an unfavorable report on House Bill 574.

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