



Bill Title: House Bill 881, Landlord and Tenant - Residential Leases and Holdover Tenancies - Local Just Cause Termination Provisions

Committee: Environment & Transportation

Date: February 22, 2022

Position: Unfavorable

This testimony is offered on behalf of the Maryland Multi-Housing Association (MMHA). MMHA is a professional trade association established in 1996, whose members consist 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. MMHA also represents over 250 associate member companies who supply goods and services to the multi-housing industry including towing companies

House Bill 881 is enabling legislation authorizing a county to enact provisions that prohibit a landlord from failing to renew a lease during the lease period or seeking to terminate a holdover tenancy without just cause. The local ordinance must require a landlord to provide written notice by first-class mail with a certificate of mailing to a tenant stating the just cause for the nonrenewal of a lease or the termination of a holdover tenancy. Just cause for nonrenewal includes seven specific areas, namely, a substantial breach of the lease after receiving notice to cure and the tenant fails to comply and disorderly conduct that the tenant fails to cease

House Bill 881 provides tenants with a life tenancy in the property. The bill fundamentally changes a lease from a two-party contract - between the landlord and tenant - to a unilateral one. For the first time in Maryland history, this bill establishes a property ownership interest of the tenant in the unit. The concept of a tenant holding over becomes a nullity. This bill gives the tenant a stick out of the owner's proverbial "bundles of property rights" that was neither bargained nor paid for. This is unconstitutional under the Maryland Constitution.

Additionally, the passage of this bill eliminates a property owner's obligation to protect its resident's right to the quiet enjoyment of their residence since a landlord would be required to serve a nonrenewal notice on a resident at the end of the lease term. It would require an owner to "show cause" and obtain a court order to terminate a lease before being able to remove an offending tenant from the property. House Bill 881 forces housing providers to obtain enhanced documentation and public records in order to meet the just cause standard. Police and fire departments inconsistently respond to Public Information Act (PIA) requests and delays in receiving data can take 60 days. Reports are heavily redacted. As a result, public safety agencies will see an increase in costs and workload due to calls placed by property owners to memorialize the disorderly or criminal behavior and respond to greater demand for public records.



This process also pits neighbor against neighbor. Under House Bill 881, owners and managers would have to rely on crucial evidence to evict problem residents including neighboring resident testimony. Residents are unlikely to testify in opposition to harassing or even dangerous residents as this would place them in harm's way. As a result, these measures foster an adversarial relationship between rental property owners and their residents as they become frustrated with the inability of property owners to act on their complaints and remove problem residents. When issues arise, community residents are subjected to living on the property without relief while the investigative and judicial process to convict an individual of a crime takes time. The outcome is good residents move out.

Furthermore, enabling local jurisdictions to make their own rules regarding what is "just cause" to end tenancies takes away any uniformity of law. Where landlords have multiple rental properties in multiple jurisdictions leasing terms and policy applications will become a patchwork of ordinances making leasing and renting a nightmare for both landlords and tenants.

At a time when courts are closed and dockets significantly delayed, House Bill 881 exacerbates the problem. The imposition of "just cause" factors as a prerequisite to terminate a lease will further clog the courts with landlords seeking to repossess their property who are obliged to prove complicated evidentiary matters in order to simply end a contract by the terms which were a part of the original landlord-tenant contractual relationship.

For the foregoing reasons, MMHA respectfully requests an unfavorable report on House Bill 881.

**For additional information, please contact Aaron J. Greenfield, Director of Government Affairs,
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