

Local Governments Should Have the Authority to Pass Protections for Renters

Position Statement Supporting House Bill 881

Given before the House Environment and Transportation Committee

HB 881 is enabling legislation that would give clear legislating power to Maryland counties to establish “just cause” or “good cause” limitations on lease non-renewals. This bill expressly grants authority to local governments to decide when it is appropriate for rental agreements to be non-renewed. That means local policymakers would be able to determine the kind of “just cause” policy their locality needs, whether by type of building, for certain populations, or under certain circumstances such as a state of emergency. Without HB 881, local efforts are stymied by legal concerns around preemption. **The Maryland Center on Economic Policy supports House Bill 881 because we envision a future where housing is a basic right.**

When it comes to lease non-renewals, Maryland is currently a “no cause” state – that is, a landlord can decide to not to renew a tenant’s lease without any stated cause. This means that working people and their children face the constant threat of displacement, even when they follow all the rules. They are under constant pressure to accept declining conditions and increasing rents just to stay in their communities.

HB 881 enables Maryland counties to pass local “just cause” laws that place reasonable limits on lease non-renewals. “Just cause” means that a landlord may choose not to renew an expiring lease only if there is an acceptable basis for that decision. HB 881 includes a wide range of acceptable causes for not renewing a lease – such as substantial lease violations, illegal activities, removal of the property from the market, or personal use of the property by the owner. HB 881’s list reflects the policies other U.S. jurisdictions that have enacted just cause policies.

Since 2008, just cause eviction legislation has been introduced in 8 times – including multiple statewide bills, as well as bills specific to Prince George’s County and Montgomery County. During the COVID-19 state of emergency, Howard County unsuccessfully attempted to prohibit lease non-renewals while Baltimore City passed a short-term provision to require just cause for lease non-renewals until 6 months after the state of emergency’s end. These efforts demonstrate a sustained desire in Maryland localities for just cause policies.

Other states and jurisdictions have longstanding just cause policies, including Washington, D.C. (since 1985), Philadelphia (since 2018), and New Jersey (since 1974). Evidence from other areas demonstrates that the policy has significant benefits for families and does not impede development. A 2019 Princeton/Eviction Lab study looking at four California localities found that “just cause eviction ordinances have a significant and noticeable effect on eviction and eviction filing rates. Given the budget limitations of many states and municipalities to fund

other solutions to the eviction crisis, passage of just cause eviction ordinances appears to be a relatively low-cost, effective policy solution."ⁱ

HB 881 recognizes that local governments want to aid their renters in achieving stable housing so that they are able contribute long-term to the workforce and the local economy. Requiring just cause as a precondition for an eviction can be a tailored policy that boosts the stability of the housing market. HB 881 ensures local governments can pass enforceable laws whereby no one is arbitrarily deprived of their housing. For these reasons, **the Maryland Center on Economic Policy respectfully requests the Environmental and Transportation Committee to make a favorable report on House Bill 881.**

Equity Impact Analysis: House Bill 881

Bill Summary

HB 881 is enabling legislation that would give clear legislating power to Maryland counties to establish “just cause” or “good cause” limitations on lease non-renewals. This bill expressly grants authority to local legislatures to decide when it is appropriate for rental agreements not to be renewed. That means local policymakers would be able to determine the kind of “just cause” policy their locality needs, whether by type of building, for certain populations, or under certain circumstances such as a state of emergency.

Background

When it comes to lease non-renewals, Maryland is currently a "no cause" state – that is, a landlord can decide to non-renew without any stated cause. This means that working people and their children face the constant threat of displacement, even when they follow all the rules. They are under constant pressure to accept declining conditions and increasing rents just to stay in their communities.

HB 881 enables Maryland counties to pass local "just cause" laws that limit lease non-renewals. "Just cause" means that a landlord may choose not to renew an expiring lease only if there is an acceptable basis for that decision. HB 881 defines “just cause,” including an inclusive but non-exhaustive list of acceptable bases – such as substantial lease violations, illegal activities, removal of the property from the market, or personal use of the property by the owner. HB 881’s list reflects the policies other U.S. jurisdictions that have enacted just cause policy.

Equity Implications

Since 2008, just cause eviction legislation has been introduced in eight times – including multiple statewide bills, as well as bills specific to Prince George’s County and Montgomery County. During the COVID-19 state of emergency, Howard County unsuccessfully attempted to prohibit lease non-renewals while Baltimore City passed a short-term provision to require just cause for lease non-renewals until 6 months after the state of emergency’s end. These efforts demonstrate a sustained desire in Maryland localities for just cause policies. People of color and single households are more likely to be renters in Maryland, thus any legislation that improves a renter’s situation will benefit them.

Impact

House Bill 881 will likely **improve racial, gender, and economic equity** in Maryland.

ⁱ Princeton University Effects of Just Cause Eviction Ordinances on Eviction in Four California Cities. <https://jpia.princeton.edu/news/effect-just-cause-eviction-ordinances-eviction-four-california-cities>