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HB0551 - Real Property - Residential Leases - Notification of Rent Increases

Hearing before the Senate Judicial Proceedings Committee, March 31, 2022

Position: SUPPORT (FWA)

Public Justice Center (PJC) is a nonprofit public interest law firm that serves over 600 renters each year. We stand with tenants to protect and expand their rights to safe, habitable, affordable, and nondiscriminatory housing. PJC seeks the Committee's Favorable report on HB0551.

Amid scarce affordable rental housing, renters are fortunate to find a home that they can afford. With uncontrolled rent increases, a household's employment, schooling, access to healthcare, or familial and community connections become disrupted. Unpaid rent leads to serial eviction actions, triggering the long-term damage of the "Scarlet E" on their rental histories.

HB0551 intended to bring stability to renters' lives by capping rent increases in covered properties at 2% annually in most instances. However, as amended in the House, HB0551 simply requires a 90-day notice before a rent increase over 4 percent may take effect, for units subject to a lease of at least 12 months.

Public Justice Center supports the amended HB0551 because even this modest measure will aid renters who face rent increases. Rents have jumped in Maryland, <u>up 9.6 percent</u> year-over-year, as of January 2022.

Preemption concern

As currently written, HB0551's notice provision would potentially preempt Montgomery County's similar, stronger law on rent increase requirements. The weaker HB0551 should not replace any similar stronger local law. Public Justice Center suggests the following language that would explicitly show that HB0551 is not intended to preempt local efforts to provide longer or more widely applicable notice requirements regarding rent increases.

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(C) ANY LOCAL LAW OR ORDINANCE THAT IS COMPARABLE IN SUBJECT MATTER TO THIS SECTION SHALL SUPERSEDE THE PROVISIONS OF THIS SECTION TO THE

EXTENT THAT THE LOCAL LAW OR ORDINANCE PROVIDES LONGER NOTICE OR BROADER APPLICABILITY THAN THIS SECTION.

Public Justice Center is a member of the Renters United Maryland coalition and asks that the Committee **issue a report of FAVORABLE on HB0551.** If you have any questions, please contact Zafar Shah, shahz@publicjustice.org, (410) 625-9409 Ext. 237.