

HB0551_Rent_Increase_Restrictions_MLC_FAV.pdf

Uploaded by: Cecilia Plante

Position: FAV



TESTIMONY FOR HB0551 Real Property - Residential Leases - Rent Increase Restrictions

Bill Sponsor: Delegate Wells

Committee: Judicial Proceedings

Organization Submitting: Maryland Legislative Coalition

Person Submitting: Cecilia Plante, co-chair

Position: FAVORABLE

I am submitting this testimony in favor of HB0551 on behalf of the Maryland Legislative Coalition. The Maryland Legislative Coalition is an association of activists - individuals and grassroots groups in every district in the state. We are unpaid citizen lobbyists and our Coalition supports well over 30,000 members.

There is no question that many people are struggling right now, especially those who are already making low wages. People who rent are particularly at risk of having a rent increase be the difference between feeding their family, or not. This bill will help ensure that rent increases for those tenants do not go above the fair market rent, and if rental increases are necessary to get to fair market rent, they are stepped up gradually. The goal, which is one the state should strive for, is to keep people in their homes.

The bill requires that a landlord not increase rent on a restricted rental unit by more than 2% per year. A restricted rental unit is described as –

- one that is built before 1990
- a unit that, as of January, of this year was not more than 15% above fair market rent
- one that is occupied by a tenant that earns 50% or less of the area income

If the restricted rental unit is renewed on a month-to-month basis, the landlord may not increase the rent by more than 1% every 6 months.

If the rent for the unit is below fair market rent, the increase in rent to reach fair market rent can be made in increments – 4% in year 1; and 1% in any subsequent year.

Additionally, during a state of emergency, and for the twelve month period following, a landlord cannot increase the rent by more than 1% per year, or for a month-to-month lease, by more than .05% every 6 months.

We believe this is fair to both the landlord and the tenant. We support this bill and recommend a **FAVORABLE** report in committee.

HB 551_crossover_Consumer Protection Division_fav_

Uploaded by: Kira Wilpone-Welborn

Position: FAV

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March 31, 2022

To: The Honorable William C. Smith, Jr.
Chair, Judicial Proceedings Committee

From: Kira Wilpone-Welborn, Assistant Attorney General
Consumer Protection Division

Re: House Bill 552 – Real Property - Residential Leases - Notification of Rent Increases
(SUPPORT)

The Consumer Protection Division of the Office of the Attorney General (the “Division”) supports House Bill 551 sponsored by Delegate Melissa Wells, which would apply to residential leases for a term of at least one year and require a landlord to notify a tenant in writing or through email at least 90 days before increasing the tenant’s rent by more than 4%.

Landlord-tenant complaints are consistently among the top complaints received each year by the Division. Currently, landlords are not required to provide any existing tenants with prior notice of the landlord’s intent to increase the monthly rent at lease renewal. As a result, tenants often face unexpected and untenable rent increases with little time to negotiate the amount of the rent increase with their current landlord or to find alternative and affordable housing.¹ House Bill 551’s requirement that a landlord notify a tenant in writing or through email at least 90 days before increasing the tenant’s rent by more than 4% provides residential tenants important information that would permit them to either negotiate the amount of the rent increase or to seek alternative, affordable housing if the amount of the rent increase is untenable. If a landlord is raising the rent significantly, it is essential that the tenant have time to respond appropriately to that increase.

The Division requests that the Judicial Proceedings Committee give House Bill 551 a favorable report.

cc: The Honorable Mary A. Lehman
Members, Judicial Proceedings Committee

¹ In contrast, a landlord is required to provide a tenant with a year-to-year lease at least 90 days’ notice of the landlord’s intent not to renew the lease. *See* Real Property § 8-402(c)(2)(ii).

HB 551-Real Property - Residential Leases - Notifi

Uploaded by: Robin McKinney

Position: FAV



HB0551 - Real Property - Residential Leases - Notification of Rent Increases
Senate Judicial Proceedings Committee
March 31, 2022
Position: SUPPORT (FAV)

Chairman Smith, Vice-Chair, and members of the committee, thank you for the opportunity to submit testimony in support of HB 551. The CASH Campaign of Maryland promotes economic advancement for low-to-moderate income individuals and families in Baltimore and across Maryland. CASH accomplishes its mission through operating a portfolio of direct service programs, building organizational and field capacity, and leading policy and advocacy initiatives to strengthen family economic stability. CASH and its partners across the state achieve this by providing free tax preparation services through the IRS program 'VITA', offering free financial education and coaching, and engaging in policy research and advocacy. **Almost 4,000 of CASH's tax preparation clients earn less than \$10,000 annually. More than half earn less than \$20,000**

January 2022 rents in Maryland are [up 9.6 percent](#) year-over-year, and 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 helps bring stability to renters' lives. **By requiring a landlord to send a 90-day notice if they plan on raising rent more than 4%**. HB0551 is needed, because people deserve advanced notice that their rent will increase significantly.

As summarized in the [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.¹ Among cost-burdened renter households, half are "severely" burdened, paying more than 50% of income toward housing costs.² Montgomery, Prince George's, and Baltimore counties and Baltimore City account for almost 70% of Maryland's severely cost-burdened households.³

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.⁴ 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. HB0551 would prevent this kind of weaponized rent increase.

CASH Campaign of Maryland is a member of the Renters United Maryland, a statewide coalition of renters, organizers, and advocates, and **we urge the Committee's report of Favorable on HB0551.**

Creating Assets, Savings and Hope

MMHA - 2022 - HB 551 - FWA.pdf

Uploaded by: Grason Wiggins

Position: FWA



House Bill 551

Committee: Judicial Proceedings
Date: March 31, 2022
Position: Favorable with Amendments

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.

As amended, House Bill 551(HB 551) requires 90 days of notice of a rent increase of more than 4% for leases of at least one year. MMHA respectfully requests that HB 551 be amended to provide 60 days of notice for rent increases in leases of at least one year.

MMHA is unsure of where 4% was derived and considers the number to be arbitrary. MMHA respectfully requests that the 4% number be stricken from the bill. Further, 90 days of notice at 4% would require a housing provider to predict market trends and render housing providers unable to account for increased expenses more than 3 months in advance. As such, MMHA believes that a 60-day notice of any rent increase for a lease of at least one year is a reasonable alternative to the current text of HB 551.

Amendment:

On page 4, line 15, strike "90" and insert "60."

On page 4, beginning on line 15, strike "by more than 4%."

Grason M. Wiggins, MMHA Senior Manager, Government Affairs, 912.687.5745

HB0551 - Senate - FWA - Public Justice Center.pdf

Uploaded by: Zafar Shah

Position: FWA



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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 non-discriminatory 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, [up 9.6 percent](#) 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.

Page 4 Line 17

(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.