



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