



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.

