



**MARYLAND  
LEGAL AID**

*Advancing*  
**Human Rights and  
Justice for All**

**RE: TESTIMONY IN SUPPORT OF HOUSE BILL HB 1016**

**Real Property – Residential Lease – Early Termination by Tenants**

Hearing before the House Environment & Transportation Committee,  
Position: Favorable  
Feb. 28, 2023, 1:00PM

*Maryland Legal Aid (MLA) submits its written and oral testimony on HB1016 at the request of bill sponsor Delegate Shaneka Henson.*

MLA is a non-profit law firm that provides free legal services to the State's low-income and vulnerable residents. Our 12 offices serve residents in each of Maryland's 24 jurisdictions and handle a range of civil legal matters, including housing, family law, public benefits, bankruptcy and other debt collection matters, and criminal record expungements. MLA urges the Committee's favorable report on HB1016, which would limit liability for tenants who terminate their lease early due to certain unforeseen changes in circumstances, an important issue that affects tenants throughout the State.

The Covid-19 pandemic demonstrated on a massive scale what can happen when tenants have their lives suddenly upended due to a loss of employment, death of a wage earner, or other unforeseen circumstances which make it difficult or impossible for them to complete the term of their lease. Even outside the context of a global health emergency, Maryland Legal Aid attorneys frequently work with clients experiencing the same problem of unexpected life events which make them unable to continue their lease. Under current Maryland law, tenants can be on the hook for the entirety of their lease when they seek to leave that lease due to loss of employment, forced job relocation or the death of a wage earner. While there is a duty for landlords to mitigate damages by finding replacement tenants, their incentive to do so is weak, because they can recover lost rental payments from the prior tenant.

In Montgomery County, Sec. 29-27(s) of the County Code requires that each lease must include a provision allowing for a thirty (30) day notice to landlords, and caps liability at one (1) months rent in circumstances where there is a loss of employment, an involuntary change in employment, or the death of a major wage earner (in addition to several other conditions). These provisions have not negatively impacted landlords, and have often been a lifeline to MLA's

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clients, allowing them to better situate themselves during a challenging time in their life, without having to deal with the added burden of having to pay months of rent they are no longer able to afford. MLA has encountered many clients who, due to loss of employment, need to terminate their lease, and this provision has been crucial in limiting the liability that they face. Further, a judgment against a tenant can follow them for 12 years, renewed for twelve years, and affect their credit record and ability to obtain other housing. Md. R. 2-625 and 3-625.

HB 1016 takes a step in the right direction by giving all Maryland tenants similar protections which already exist in other parts of the state, such as Montgomery County. In situations where the tenant either loses employment, is forced to involuntarily change geographic areas of employment, or when a wage earner dies, HB 1016 would allow, after a 60 day termination notice, tenants to separate from their lease, and only must pay the lesser of 60 days additional rent, or actual damages to the landlord. While this still adds up to 120 days of rent a tenant who has lost their ability to pay would be liable for, it is an improvement over the status-quo which allows for a much higher ceiling on liability (the full term of the remaining lease).

MLA asks that the Committee give HB 1016 a favorable report.

Andrew Esposito

Staff Attorney  
Maryland Legal Aid  
aesposito@mdlaborg | 301-637-1054