



Date: February 28, 2023

Committee: Environment and Transportation

Bill: House Bill 1016- Real Property – Residential Lease – Early Termination by Tenant

Position: Unfavorable

This testimony is offered on behalf of the Maryland Multi-Housing Association (MMHA). MMHA is a professional trade association established in 1996, whose membership consists of owners and managers of more than 207,246 rental housing homes in more than 937 apartment communities. Our members house over 667,000 residents of the State of Maryland throughout the entire State of Maryland. MMHA membership also includes more than 216 associate members that supply goods and services to the multi-housing industry. More information is available at <https://www.mmhaonline.org/>

House Bill 1016 (HB 1016) allows a resident to limit damages incurred for an early termination of a lease if they provide 60 days notice to the housing provider and: (1) they have written verification from an employer that their job requires at least 50 miles of travel and the employer is not paying for their relocation (2) the tenant or rent guarantor becomes involuntarily unemployed or; (3) the death of the primary wage earner in the household. If one of the conditions are present, the damages of the tenant are limited to the lesser of 2 months' rent or the actual damages incurred by the landlord for early termination. The landlord may not seek to collect damages until 60 days after the tenant has vacated the premises.

MMHA has supported similar iterations of this bill that have been implemented at the local level. However, HB1016 falls short in several key areas.

1. Travel requirement: Maryland has a particularly transient workforce, given its proximity to Washington D.C., Northern Virginia, Delaware, and Pennsylvania. 50 miles of total travel seems modest and should be extended to 100 miles.
2. Involuntary separation from employer: The bill in its current form allows tenants or other payees to mitigate damages for involuntary employment loss, even in instances where the termination of employment was for cause. It is inequitable to require a housing provider to incur a financial loss for a resident that was terminated for their own misconduct.
3. Delayed collection of damages: MMHA is unclear why HB 1016 delays a housing provider's ability to collect damages 60 days after the tenant has vacated the premises.

For the foregoing reasons, MMHA requests an unfavorable report on HB1016.

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