

**CDN HB151 FAVORABLE CO.pdf**

Uploaded by: Claudia Wilson Randall

Position: FAV



**Testimony HB 151**  
**Judicial Proceedings Committee**  
**February 7, 2023**  
**Position: FAVORABLE**

Dear Chairman Smith and Members of the Judicial Proceeding Committee:

The Community Development Network of Maryland (CDN) is the voice for Maryland's community development sector and serves nearly 180 member organizations. CDN—focuses on small affordable housing developers, housing counseling agencies and community-based non-profits across the state of Maryland. The mission of CDN is to promote, strengthen and advocate for the community development sector throughout Maryland's urban, suburban and rural communities. CDN envisions a state in which all communities are thriving and where people of all incomes have abundant opportunities for themselves and their families.

HB 151 – Would require landlords to notify a tenant in writing or through e-mail at least 120 days before increasing the tenant's rent by more than 4%.

In February 2021, the University of Maryland's National Center for Smart Growth and Enterprise Community Partners released the Maryland Housing Needs Assessment and 10 Year Strategic Plan. The report was commissioned in response to a request from the chairs of the Maryland General Assembly's Senate Budget and Taxation and House Appropriations committees.

Key Findings include.

- A shortage of 85,000 affordable apartments for families and individuals earning less than 30% of median income, representing the most serious gap in supply for people at all income levels;
- An additional 97,200 families and individuals earning less than 50% of median income are expected to move to the state by 2030, highlighting the need to dramatically increase affordable housing supply over the next 10 years; and
- People of color, individuals with disabilities and seniors—who represent 14% of all Maryland families—face significant hurdles such as inflexible standards used by landlords when screening tenants and high down payments. These disparities have been made worse by the pandemic;

Today, a variety of factors have set the stage for unprecedented challenges for Maryland renters, most pressing are incomes that have not kept pace with housing cost increases and a housing construction slowdown. Renters across Maryland have seen the average rents rise more than 18% over the last five years outpacing inflation and sharp increases of all goods and services.

Few jurisdictions can withstand the growing housing instability in their area. Subjecting tenants to the market will not fix this problem. Renters need government intervention.

We urge your favorable report for HB151.

Submitted by Claudia Wilson Randall, Executive Director

# **HB 151 - Written Testimony - SENATE.pdf**

Uploaded by: Katherine Davis

Position: FAV



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**HB 151: Real Property – Residential Leases – Notification of Rent Increases  
HEARING BEFORE THE JUDICIAL PROCEEDINGS COMMITTEE, MARCH 28, 2023  
POSITION: SUPPORT (FAV)**

The Pro Bono Resource Center of Maryland (“PBRC”), an independent 501(c)(3) non-profit organization, is the statewide coordinator, thought leader and clearinghouse for volunteer civil legal services in Maryland. As the designated pro bono arm of the Maryland State Bar Association, PBRC provides training, mentorship, and pro bono service opportunities to members of the private bar. We respond to acute legal needs identified in areas across the state by piloting and operating innovative pro bono service projects targeting specific legal problems or populations.

In May 2017, with a grant from the Maryland Judiciary’s Access to Justice Department, PBRC launched the **Tenant Volunteer Lawyer of the Day (TVLD) Program** in Baltimore City Rent Court to provide day-of-court legal representation to tenants who appear unrepresented for their proceedings. Since then, this continually-expanding Program has allowed PBRC staff and volunteer attorneys to represent thousands of tenants in both Baltimore City and Baltimore County in multiple types of legal actions that could result in eviction. We have witnessed first-hand the difficulties tenants face when confronted with an unexpected rent increase.

**PBRC urges a favorable report on HB 151, which requires landlords to provide advance notice of a rent increase (60 – 90 days depending on the lease term).** Many of PBRC’s clients are low-income families who are experiencing financial difficulties. Usually this is due to common life circumstances such as illness, domestic violence, job loss, reduction in hours, or caregiving responsibilities for children, elderly, and disabled family members. Additionally, many of our clients are struggling with the lingering inflation brought on by the COVID-19 pandemic. Against the backdrop of these factors an unexpected rent increase could be devastating. HB 151 will provide a lifeline to these tenants.

Should the increase cause the rent to be unaffordable to the tenant, they may find themselves in a cycle of Failure to Pay Rent complaints in District Court. The mere filing of a Failure to Pay Rent case is a public record that can be seen by any prospective future landlord, which can impede a tenant’s ability to find appropriate affordable housing.

Alternatively, with sufficient notice of an increase, a tenant can seek new housing and alleviate the possibility of the landlord filing one or more damaging cases and pursuing eviction. The landlord avoids the hassle and expense of going to court and the gains opportunity to secure another tenant who is able to afford the rent. By requiring advance notice of a rent increase and thus time for a tenant to plan accordingly, HB 151 represents a benefit to both parties to the transaction.

**PBRC supports HB 151 because it will ensure that Maryland renters are able to respond to rent increases in a sustainable way.**

For the above reasons,

**PBRC urges a FAVORABLE report on HB 151.**

Please contact Katie Davis, Director of PBRC’s Courtroom Advocacy Project, with any questions.

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# **Legislative Black Caucus of MD**

Uploaded by: Legislative Black Caucus of MD

Position: FAV



March 27, 2023

Senator Willam C. Smith, Chair  
Judicial Proceedings Committee  
2 East Miller Senate Office Building  
11 Bladen Street  
Annapolis, MD 21401

Dear Chairman Smith and Members of the Committee:

The Legislative Black Caucus of Maryland offers strong **favorable** support for House Bill 151 - Real Property - Residential Leases - Notification of Rent Increases. **This bill is on the 2023 legislative priority agenda of the Black Caucus.**

This bill requires landlords to notify tenants, by means of e-mail or writing, prior to increasing their rent. Notification must be carried out at least 90 days before said increase and will apply only to a residential lease for a term of at least one year.

A reasonable period of notice prior to rent increase is a necessary protection for tenants across the State of Maryland. In a time where the cost of living continues to rise, it is crucially important that individuals and families are provided with requisite notice of rent increase. In receiving notice of a rent increase at least 90 days prior to its effective date, Marylanders are afforded time and opportunity to plan, adjust, and make changes. This bill will establish that protection by adjusting the amount of time in which landlords are required to provide due notice to their tenants—furthering efforts that bolster security, project financial impact, and abate hardship and homelessness for constituents throughout Maryland. For these reasons, the Legislative Black Caucus of Maryland supports House Bill 151.

Legislative Black Caucus of Maryland

# **Economic Action Maryland\_HB151\_FAV.pdf**

Uploaded by: Michael Donnelly

Position: FAV



**Testimony to the Senate Judicial Proceedings Committee**

**HB151: Real Property – Residential Leases – Notification of Rent increases**

**Position: Favorable**

March 28, 2023

The Honorable William C. Smith, Jr., Chair

Judicial Proceedings Committee

2 East, Miller Senate Office Building

Annapolis, MD 21401

cc: Members, Judicial Proceedings Committee

Honorable Chair Smith and Members of the Committee:

Economic Action Maryland is a statewide organization that advances economic justice and equity through research, education, direct service, and advocacy. Our 8,500 supporters include consumer advocates, practitioners, and low-income and working families throughout Maryland.

We write in support of House Bill 151.

Maryland has the 8th highest rent in the country. The Fair Market Rent (FMR) in Maryland averages \$1,256 for a 2-bedroom apartment across all Department of Housing and Urban Development (HUD) Metro FMR Areas. To afford a 2-bedroom rental home in Maryland a renter would need to work 102 hours per week at the minimum wage. Rent in Maryland is unaffordable and unsustainable.

Furthermore, the risk of eviction has skyrocketed as Maryland is facing a housing crisis; forty-one percent of Maryland renter households, pre-pandemic, were cost-burdened – paying 35% or more of their income for housing costs. There were 669,778 eviction cases filed in Maryland in FY 2019. That's nearly 1 case filed per renter household and 5 cases filed per burdened household. The struggle to maintain affordable housing has become undeniable.

In 2022, our Tenant Advocacy Program had a total of 1,395 clients with an average household income of \$32,425. Given the 2021 FMR average of \$1,256, this is unsustainable, and the majority of these clients would be facing eviction, even before the pandemic.

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ID 52-2266235



But now things are even worse for renters. According to Moody's Analytics, in the 4<sup>th</sup> Quarter of 2022, the United States became rent-burdened for the first time ever. Further, effective rents rose above \$1,700 per unit for the first time. Renters need assistance more than ever.

HB151 would create much needed notice for renters experiencing an affordability crisis. Requiring notice for substantial rent increases would help give renters time to evaluate whether to move and time to find alternative housing. This is a necessary protection that would ease the burden on renters and limit the effects of displacement.

For all these reasons, we support House Bill 151 and urge a favorable report.

Best,

Michael Donnelly

Economic Action Maryland

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[info@econaction.org](mailto:info@econaction.org) · [www.econaction.org](http://www.econaction.org) · Tax

ID 52-2266235

Economic Action Maryland is a 501(c)(3) nonprofit organization and your contributions are tax deductible to the extent allowed by law.

**MMHA\_FWA\_HB151 JPR.pdf**

Uploaded by: Lauren Graziano

Position: FWA



**Committee:** Judicial Proceedings

**Bill:** House Bill 151- Real Property - Residential Leases - Notification of Rent Increases

**Date:** March 28, 2023

**Position:** Favorable with Amendments

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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 151(HB 151) requires a housing provider to give 90 days notice of a rent increase, with certain exceptions. It also requires a housing provider to provide notice of a rent increase either through first-class mail or electronically. MMHA is grateful for the sponsor's collaboration in refining the bill's language during deliberations in the House, however, one additional amendment is needed.

As written, the bill contains a non-preemption clause that allows local jurisdictions to require more than a 90-day notice period. This language is unnecessary. Preemption doctrine dictates that a law of higher authority will take precedence over a law of lower authority if the two laws come into conflict. At present there is no local jurisdiction that allows a notice period greater than 90 days, so no conflict is created by the proposed bill. Rather it memorializes what is already current practice in a very small minority of jurisdictions, and in most cases, offers greater protection for tenants than what exists at present.

As such, MMHA supports the bill, with the following amendment:

On page 3, strike lines 18 through 20 in their entirety.

For more information, please contact Lauren C. Graziano, Senior Government Affairs Manager, 518.522.3529

# **HB 151 Public Justice Ctr in JPR FWA.pdf**

Uploaded by: Matt Hill

Position: FWA



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## **HB 151: Real Property – Residential Leases – Notification of Rent Increases**

**Hearing before the Judicial Proceedings Committee on March 28, 2023**

### **Position: Favorable with Amendments**

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Public Justice Center (PJC) is a nonprofit public interest law firm that assists over 800 renters each year. We stand with tenants to protect and expand their rights to safe, habitable, affordable, and non-discriminatory housing. We support HB 151 with the amendments provided below. HB 151 as amended intends to provide tenants with at least 60 days’ notice – or 90 days’ notice for a tenancy over one month – when the landlord intends to increase the rent. Rents have skyrocketed since the start of the pandemic, [increasing over 19% in the Baltimore area alone](#), with similar increases around the state. Rapid rent increases destabilize families and result in evictions that can lead to homelessness and, short of homelessness, have significant collateral consequences such as forcing children to change school districts in the middle of the year, forcing families into unsafe or unhealthy housing due to lack of options, or losing a job that is no longer accessible by available transportation.

HB 151 in some sense codifies what is already the law as well as the current, standard business practice of landlords in Maryland. Unfortunately, HB 151 was amended in Environment and Transportation to also include an unrelated data reporting requirement on any local jurisdiction that enacts a rent stabilization law. This reporting requirement has nothing to do with HB 151’s primary purpose of providing tenants with adequate notice of the landlord’s proposal to increase the rent. Worse, the reporting requirement instructs *only* jurisdictions that enact rent stabilization laws to report on the number of housing permits issued before and after such laws are enacted. Thus, because the reporting requirement applies *only* to rent stabilization jurisdictions – and not all local jurisdictions – there is no “control” by which the impact of rent stabilization may be measured. That is, if you’re going to measure housing permits in a rent stabilization locality, you should also measure housing permits during the same time in non-rent stabilization surrounding localities. Otherwise, the data has no clear utility. Accordingly, we recommend that the bill be amended to require all local jurisdictions to report on the number of housing permits issued in the stated time periods. Or the Committee should strike the data reporting provisions entirely.

We urge the Committee to issue a **Favorable with Amendments** report on HB 151.

**HB0151 - JPR - Maryland Legal Aid - FWA.pdf**

Uploaded by: Zafar Shah

Position: FWA



**MARYLAND  
LEGAL AID**

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

**House Bill 151 – Real Property - Residential Leases - Notification of Rent Increases**  
Hearing in the Senate Judicial Proceedings Committee on March 28, 2023  
**Position: Favorable with Amendment (FWA)**

*Maryland Legal Aid (MLA) submits its written testimony at the invitation of the bill sponsor Delegate Melissa Wells.*

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.

Serving thousands of low-income renter households each year, MLA sees up close that sudden rent increases wreak havoc on the economic security of families, workers, elders, and people with disabilities. During the COVID-19 period, our clients in private, unsubsidized rentals increasingly reported rent hikes of 10% or greater. In fact, the median rent for a 2-bedroom apartment in the Baltimore-Columbia-Towson Metro Statistical rose over 15% to \$1,678.00 between 2020 and 2022.<sup>1</sup> From September 2020 to 2021, Maryland ranked in the top-4 for highest year-over-year percentage-growth in rents.<sup>2</sup>

MLA supports HB0151 as a modest bill that intends to prevent sudden, destabilizing rent increases and to provide Maryland renters adequate time to prepare for increases in rent. As amended in the House, the bill requires, for any rent increase, that the landlord provide written notice to the tenant at well before the increase becomes effective.

- For year-to-year leases, that advance notice would at least 90 days.
- For month-to-month leases, the advance notice would be at least 60 days.

***Electronic notice requires caution***

HB0151 specifies that a notice of rent increase may be provided by e-mail, text message, or online portal, if elected by the tenant. MLA finds that our clients frequently do not receive e-mailed notices or receive them untimely. This is due to common factors, such as forgotten passwords, unavailability of devices or internet connectivity, lack of digital literacy, and visual disability. Notice by e-mail has merits, for instance, delivery-receipt and read-receipt options, but overall, it is sufficient only when integrated with other forms of delivery, such as mailing or posting. MLA did not support amendments in HB0151 that allow landlords to pick electronic

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<sup>1</sup> RentData.org, Maryland Fair Market Rent for 2023,  
<https://www.rentdata.org/states/maryland/2023>.

<sup>2</sup> Natalie Campisi, “States With The Highest Rent Hikes. And How Renters Can Negotiate,”  
Forbes, <https://www.forbes.com/advisor/mortgages/states-with-highest-rent-hikes>.

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notice to the exclusion of mailing. However, the amendments included language that prohibit the landlord from compelling a tenant to accept electronic notices at the time of signing their lease. This is a necessary protection.

### ***Reporting requirements to the General Assembly are misguided***

HB0151 was also amended to require that any locality that enacts a rent increase restriction (“rent stabilization”) to report “the number of new building permits issued by the local jurisdiction, by year, for multifamily dwellings intended to be used as rental properties... for the 2 years prior to enacting the local law and... since the enactment of the local law” (pg. 4, lines 9-26). Maryland Legal Aid did not support this amending language for two reasons. First, these provisions violate the one-subject rule for legislation. While HB0151 contemplates notices to tenants about a rent increase, the bill has nothing to do with local measures that restrict rent increases. The reporting requirement raises a new subject matter and belongs in a separate bill.

Secondly, the reporting requirement is too narrow to provide the General Assembly any useful analysis of the impact of rent stabilization measures on the amount of available rental housing. As amended, HB0151 focuses strictly on the reporting of new building permits for multi-family rental properties, to the exclusion of new use-and-occupancy permits or rental licenses for single-family and two-unit properties, which in some jurisdictions account for nearly half of all available rental housing. Additionally, data reported to the General Assembly under HB0151 would be limited to jurisdictions that enacted a rent stabilization measure, thereby providing no “control” or comparator data from the jurisdictions in which rent increases are not restricted.

- **Amendment:** The one-subject rule notwithstanding, HB0151 could be amended to expand the reporting requirements to include local jurisdictions in which rent increases, on average, surpassed the Consumer Price Index rate. The bill could also be amended to expand scope of data to include data on non-multi-family rental properties, such as use and occupancy permits and rental licenses.

### ***HB0151 in the context of rampant unaffordability***

As of January 2023, “[t]he national average rent-to-income (RTI) reached 30% for the first time” in over 20 years of tracking by Moody’s Analytics.<sup>3</sup> Housing costs in excess of 30% of income is considered “cost burdened,” and in Maryland, nearly half of all Maryland renter households were cost burdened by 2020.<sup>4</sup> Additionally, half of those households were “severely” burdened, paying more than 50% of income toward housing costs.<sup>5</sup> Montgomery, Prince George’s, and Baltimore counties and Baltimore City accounted for almost

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<sup>3</sup> Lu Chen and Mary Le, “Key Takeaways from the 4th Quarter Housing Affordability Update,” Moody’s Analytics (19 Jan. 2023), <https://cre.moodyanalytics.com/insights/market-insights/q4-2022-housing-affordability-update>.

<sup>4</sup> National Center for Smart Growth and Enterprise Community Partners, Inc., 2020 Maryland Housing Needs Assessment & 10-Year Strategic Plan 23 (Dec. 2020), <https://dhcd.maryland.gov/Documents/Other%20Publications/Report.pdf>.

<sup>5</sup> *Id.*



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70% of Maryland’s severely cost-burdened households.<sup>6</sup> According to the National Low-Income Housing Coalition’s latest *Out of Reach* report, a minimum-wage worker in Maryland would have to work 78 hours per week to afford a 1-bedroom unit at fair market rent.<sup>7</sup>

With pervasive housing cost burdens, any rent increase forces Maryland’s renters into untenable trades offs between essential needs or otherwise into the position of having to leave their rental home because the ends don’t meet. The challenge of moving in today’s rental market burdens people of color disproportionately. As reported by National Public Radio, “a 2022 [Zillow survey](#) found that Black and Latinx renters were nearly twice as likely to report submitting five or more [rental] applications, and that people of color reported paying a higher median application fee than white renters.”<sup>8</sup>

For these reasons, the notice requirements of HB0151 are helpful, though modest. Amendments set forth below would expand the benefit of the bill to more households and those with greatest need for it.

**Maryland Legal Aid urges the Committee to issue a FAVORABLE WITH AMENDMENT report on House Bill 0151.** If you have any questions, please contact Zafar Shah, Assistant Advocacy Director – Access to Counsel in Evictions, (410) 951-7672, [zshah@mdlalab.org](mailto:zshah@mdlalab.org).

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<sup>6</sup> *Id.*

<sup>7</sup> National Low Income Housing Coalition, *Out of Reach: Maryland*, <https://nlihc.org/oor/state/md> (access on 3 Feb. 2023).

<sup>8</sup> Jennifer Ludden, “Rental application fees add up fast in a tight market. But limiting them is tough,” National Public Radio (13 Jan. 2023), <https://www.npr.org/2023/01/13/1148426491/rental-application-fees-housing-affordable-market-states-laws>.

**MMHA\_FWA\_HB151 Senate Hearing.pdf**

Uploaded by: Grason Wiggins

Position: UNF



**Committee:** Judicial Proceedings

**Bill:** House Bill 151- Real Property - Residential Leases - Notification of Rent Increases

**Date:** March 28, 2023

**Position:** Favorable with Amendments

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