



**Bill:** **House Bill 774 - Landlord and Tenant - Residential Leases and Holdover Tenancies - Local Good Cause Termination (Good Cause Eviction)**

**Committee:** **Economic Matters**

**Date:** **February 26, 2026**

**Position:** **Unfavorable**

The Apartment and Office Building Association (AOBA) of Metropolitan Washington is a nonprofit trade association representing the owners and managers of more than 23 million square feet of commercial office space and 167,000 apartment rental units in Montgomery and Prince George's counties. AOBA submits the following testimony in opposition to House Bill 774.

HB 774 enables Maryland counties to adopt local laws requiring housing providers to provide good cause for not renewing a lease or terminating a holdover tenancy. The bill applies to housing providers owning six or more rental units but exempts owner-occupied properties. It requires landlords to provide written notices explaining whether the good cause law applies to them and justifying lease non-renewals or terminations.

### **Background**

While the industry's position remains that good cause will be detrimental to the rental housing, AOBA came to the table with amendments to good cause during the 2025 legislative session. We asked for clarity in the language that outlines behavior deemed appropriate for a non-renewal of a lease, including repeated notices of nonpayment of rent, violations of housing safety codes, illegal activities on the leased premises, repeated disorderly conduct, and more.

Most importantly, we asked that the bill prevent localities from enacting both good cause *and* vacancy control simultaneously. Vacancy control limits how much rent a housing provider can charge at the end of a tenancy and *does not* impact rent controls for existing tenants. These two issues are tied together because tenant lobbyists claim that the absence of good cause creates a perverse incentive for landlords to not renew a tenant's lease to raise rents to market levels. Tenant lobbyists also incorrectly claim that



vacancy control is a necessary policy to maintain housing affordability. This claim ignores extensive research demonstrating the impact of rent control on housing supply.<sup>1</sup>

AOBA continues to have the following concerns.

## **Two -Party Contracts**

HB 774 changes the relationship between a resident and a tenant from a preset period to a contractual agreement in perpetuity. This proposed policy undermines the legal framework of a contract, which requires agreement between two parties. In the absence of good cause, the landlord is free to contract with another tenant for the use of the dwelling unit. Good cause alters the landlord's property rights by effectively providing tenants with the same rights as an owner.

## **Housing Regulations Raise Costs & Deter Investment**

Good cause alone is unlikely to deter investment in housing in Maryland. But the cumulative enactment of dozens of state and local housing regulations in recent years has created a hostile environment to new housing investment in the state's largest jurisdictions. The housing that is being built in Montgomery County is heavily subsidized by taxpayer funding.<sup>2</sup> Consequently, Maryland is suffering from the state's weakest housing market in decades, which is contributing to the high cost of rents.<sup>3</sup>

Housing regulations that limit tenant screening requirements, lengthen eviction timelines, and restrict rent increases, place upward pressure on operating costs by increasing legal costs and vacancy loss. In turn, these regulations have added an upward pressure on the cost of housing.<sup>4</sup> Furthermore, a recent survey by the Montgomery County Planning Department found that vacancy control was the number two reason that new housing projects are not moving forward in the county<sup>5</sup>. The combination of vacancy control and good cause will only further exacerbate the redlining of Montgomery and Prince George's County from new development.<sup>6</sup>

For these reasons, AOBA respectfully urges an unfavorable report on House Bill 774. For more information, please contact Brian Anleu at [banleu@aoba-metro.org](mailto:banleu@aoba-metro.org).

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<sup>1</sup> <https://montgomeryperspective.com/2023/03/06/should-moco-adopt-rent-control-part-one/>

<sup>2</sup> <https://montgomeryperspective.com/2026/02/06/if-we-want-more-housing-taxpayers-will-have-to-pay-for-it/>

<sup>3</sup> <https://www.marylandcomptroller.gov/content/dam/mdcomp/md/media/2025/10-16-2025-maryland-comptroller-releases-report-on-housing-and-the-economy.pdf>

<sup>4</sup> <https://www.metro-sight.com/articles/regulation-and-rents>

<sup>5</sup> [https://montgomeryplanningboard.org/wp-content/uploads/2025/10/Pipeline-Analysis-Staff-Report\\_10.16.25.pdf](https://montgomeryplanningboard.org/wp-content/uploads/2025/10/Pipeline-Analysis-Staff-Report_10.16.25.pdf)

<sup>6</sup> <https://montgomeryperspective.com/2026/01/06/moco-multifamily-permits-drop-96-percent-with-rent-control/>