



Montgomery County

Office of Intergovernmental Relations

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HB 774

DATE: February 26, 2026

SPONSOR: Delegates Wilkins and Smith

ASSIGNED TO: Economic Matters

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POSITION: SUPPORT

Landlord and Tenant - Residential Leases and Holdover Tenancies - Local Good Cause Termination (Good Cause Eviction)

House Bill 774 authorizes a county to adopt by local law or ordinance provisions prohibiting a landlord from failing to renew a lease or from terminating a holdover tenancy without “good cause”. Under the bill, good cause exists if: (1) a tenant has committed a substantial breach of the lease or substantial damage to the leased premises or another area of the property and after receiving notice to cure or correct the breach or pay the cost of repair, the tenant fails to comply within a reasonable period of time; (2) a tenant engages in routine disorderly conduct that disturbs the peace and quiet of other tenants; (3) a tenant engages in illegal activity on the leased premises, another area of the property, or on a public right of way abutting the leased premises; (4) a tenant, without reasonable cause, refuses to grant the landlord access to the leased premises for repairs, improvements or inspection of the leased premises; (5) a holdover tenant fails to accept a landlord’s offer of a new lease agreement for a term of at least one month but not longer than the terms of the lease agreement effective immediately before the holdover tenancy within one month after the landlord makes the offer or a greater period of time as otherwise established by law; (6) a tenant repeatedly commits minor violations of the lease that disrupt the livability of the leased premises, interfere with the management of the property, or have an adverse financial impact on the property; (7) a tenant habitually fails to pay rent when due, if the tenant has been notified by the landlord in writing that the rent is more than ten days late at least four times in a twelve-month period; (8) a landlord, in good faith, seeks to recover possession of the premises for use by the landlord or a family member; (9) a landlord, after having obtained all necessary permits, seeks to undertake substantial repairs or renovations that cannot be completed while the leased premises are occupied; and (10) a landlord, in good faith, seeks to remove the leased premises from the rental market for at least one year. The bill applies to landlords who, in a county that has enacted a local law or ordinance, owns six or more residential rental units that the landlord owns or controls through one or more legal entities. When terminating a tenancy, a landlord must provide a tenant with notice of the good cause or that the landlord is not subject to local good cause requirements by first class mail within the timeframes specified in the bill. The bill also contains notice provisions that require a landlord to notify a tenant or prospective tenant whether the property is covered under a local good cause eviction law.

Montgomery County strongly supports House Bill 774, which would help protect tenants and enable them to stay in their homes while also allowing termination of leases for certain causes. Under

Montgomery County law, a landlord must provide 60 days' notice if the landlord does not intend to offer the existing tenant a renewed lease term. If a tenant remains in possession of the leased premises after the expiration of the lease term, the tenant is considered to be "holding over" under current State law. If a tenant holds over, the tenant becomes a month-to-month tenant, but all other terms of the expired lease remain in effect (albeit monthly). A landlord may file a complaint in District Court if a tenant refuses to relinquish possession at the end of the lease term. If the landlord proves proper notice, the lease term fully expires, and the tenant remains in possession of the premises, the Court will issue a judgment for possession in favor of the landlord.

House Bill 774 makes significant changes to the tenant holding over process in Montgomery County. A landlord will no longer be able to evict a tenant for holding over, absent an enumerated good cause. Under the bill, a tenant could continue to stay in possession of the property indefinitely after expiration of the lease, as a month-to-month tenant, subject to eviction for good cause if the tenant continues to pay the required rent.

Montgomery County supports House Bill 774 and recognizes the importance of providing tenants with housing stability and security through strengthening the protections available to them; good cause eviction requirements are yet another way that Montgomery County can provide housing security to its residents. For the foregoing reasons, Montgomery County respectfully requests a favorable Committee report.