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**House Bill 821 - Montgomery County Stable Homes Act MC 12-20**

Hearing before the House Environment and Transportation Committee, March 10, 2020

Position: FAV

The Public Justice Center is a not-for-profit, civil legal aid organization that serves over 700 renters each year throughout Maryland, including Montgomery County. Our clients know firsthand the indignity of facing eviction for no fault of their own. Under current Montgomery County law, landlords may terminate or non-renew a lease on 60 days' notice. The notice does not need to provide a reason. If the renter stays on, the landlord may then file a "Tenant Holding Over" eviction action in District Court, under Real Property § 8-402. This statewide statute does not require a landlord to demonstrate any reason for the decision to terminate or non-renew the lease.

Arbitrary lease terminations destabilize the lives of working people, their children, and their communities. **For Montgomery County renters, HB 821 does away with no-fault eviction. Instead, it ensures that there would be a "just cause" for evicting renters who pay their rent, follow the rules, and simply want peace and stability in their housing. Public Justice Center urges the Committee's favorable report on this bill.**

**HB 821 addresses the harm of arbitrary lease terminations.**

The notion of "at-will" rental housing is commonplace yet belies the extraordinary toll of arbitrary lease termination on vulnerable Maryland families. In December 2019, Denisha appeared in a Tenant Holding Over action. The young woman had been living with her grandfather, who was the lessee of their townhome rental. Denisha's grandfather had become sick, and for weeks prior to this eviction action, he was away from the home to undergo in-patient rehabilitation. During that time, the landlord notified the family of lease non-renewal. The judge in this case was concerned. Were the tenants paying the rent, she asked the landlord. Yes. Was the landlord notified that the lessee was in a rehab facility? Yes. Had Denisha informed the leasing office of their intent to stay? Yes. The judge then asked, Does this really need to happen? The agent for the landlord explained that the grandfather had not signed a renewal form. The judge, perplexed, asked, "You're going to evict good tenants?" The answer was both disturbing and unsurprising: "This is just what we do," the agent said. The judge could only look on, because that the landlord needed no reason legally to proceed to judgment for possession. HB 821 prohibits this kind of arbitrary lease termination and needless displacement.

**Just-cause is a well-known prescription for a healthy rental housing market.**

More than two decades ago, New Jersey enacted a just-cause eviction law. In California, small jurisdictions, like Richmond, and large ones, such as Oakland, San Francisco and San Jose, passed similar laws. Washington, D.C., *The Public Justice Center is a 501(c)(3) charitable organization and as such does not endorse or oppose any political party or candidate for elected office.*

New York, Chicago, and Seattle also have just-cause eviction ordinances. Low-Income Housing Tax Credit properties and other federally subsidized housing require good cause to end a tenancy. Around the U.S., just-cause eviction policies balance the need to remove “bad” tenants with the need to protect “good” tenants. The

The Stable Homes Act is no different. It provides numerous grounds for a landlord to seek eviction at the end of a lease term. It also makes no changes to Real Property sections 8-401 and 8-402.1, by which landlords obtain eviction when a renter fails to pay the rent or breaches the lease.

### **HB 821 is a response to pervasive unaffordability in the rental housing market.**

The Stable Homes Act is a balanced response to rampant unaffordability and an epidemic of evictions. In Montgomery County “[o]ver 80 percent of families with incomes below 50 percent of the Area Median Income (below \$58,600 for a family of four as of June 1, 2018) are cost burdened (that is, they pay more than 30 percent of their income in rent), and over half of these families are extremely cost burdened (pay more than 50 percent of their income in rent).”<sup>1</sup> Whether low-wage workers, seniors, or people with disabilities, those who live one paycheck to the next are under enormous pressure to keep up with unaffordable rent. If forced to move because their current landlord refuses to renew their lease, these renters face dire straits in securing funds to pay moving costs and to pay the security deposit and first month’s rent when they sign the lease for their next home. When affordable, safe, habitable housing is a rare commodity as at present, a just-cause requirement for evictions ensures that no person is arbitrarily displaced from their home.

HB 821 would support, rather than constrain, the housing market. It recognizes that when renters are stably housed, they are better able to contribute to the workforce and the economy. Requiring just cause as a precondition for an eviction is a limited requirement which boosts the stability of the market by stabilizing families, neighborhoods, and communities to ensure that no one is arbitrarily deprived of their home.

### **Maryland’s current retaliation law does not fully protect tenants**

Maryland’s existing protection against retaliatory lease terminations (Real Property § 8-208.1), while helpful, is not as strong a protection as just-cause eviction. There are numerous shortcomings in the current law:

- The list of protected activities includes only specific activities like complaining about the condition of the property.
- If the tenant’s protected activity occurred more than 6 months before the eviction action, or the tenant is not current on rent, then the tenant has no defense.
- The renter has the burden to prove the landlord’s motive in a court process that does not allow discovery or time to subpoena records or witnesses. These renters have no right to legal representation.

For many renters, the current retaliation law offers no protection. HB 821 provides wider protection. Landlords would still evict tenants for legitimate reasons such as failure to pay the rent or breach of lease. They would not, however, evict tenants arbitrarily or out of retaliatory motive.

**Please issue a FAVORABLE REPORT on HB 821.** If you have any questions, please contact Zafar Shah, (410) 625-9409, shahz@publicjustice.org.

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<sup>1</sup> MONTGOMERY COUNTY OFFICE OF LEGISLATIVE OVERSIGHT, *Evictions in Montgomery County*, iii (2018), available at [https://www.montgomerycountymd.gov/OLO/Resources/Files/2018%20Reports/2018\\_10EvictionsMontgomeryCounty.pdf](https://www.montgomerycountymd.gov/OLO/Resources/Files/2018%20Reports/2018_10EvictionsMontgomeryCounty.pdf). *The Public Justice Center is a 501(c)(3) charitable organization and as such does not endorse or oppose any political party or candidate for elected office.*