

Bill No. 19-15
Concerning: Landlord –Tenant Relations
– Licensing of Rental Housing –
Landlord-Tenant Obligations
Revised: 11/29/2016 Draft No. 11
Introduced: April 21, 2015
Enacted: November 29, 2016
Executive: December 12, 2016
Effective: March 13, 2017
Section 29-30 June 10, 2017
Sunset Date: None
Ch. 39, Laws of Mont. Co. _____

COUNTY COUNCIL FOR MONTGOMERY COUNTY, MARYLAND

Lead Sponsor: Councilmember Elrich
Co-Sponsor: Councilmembers Navarro and Hucker

AN ACT to:

- (1) provide for annual inspection of certain residential rental properties;
- (2) require the use of a standard form lease and applicable optional provisions for certain residential rental properties;
- (3) require the publication of certain information related to rental housing;
- (4) require the Department of Housing and Community Affairs to review certain rent increases;
- (5) provide for certain remedies to be awarded by the Commission on Landlord-Tenant Affairs;
- (6) provide certain rights to tenants facing rent increases; and
- (7) generally amend the law related to landlord-tenant relations.

By amending

Montgomery County Code

Chapter 29, Landlord – Tenant Relations

Sections 29-6, 29-22, 29-27, 29-28, 29-30, 29-31, 29-33, 29-47, 29-51, 29-53, and 29-54

Boldface	<i>Heading or defined term.</i>
<u>Underlining</u>	<i>Added to existing law by original bill.</i>
[Single boldface brackets]	<i>Deleted from existing law by original bill.</i>
<u>Double underlining</u>	<i>Added by amendment.</i>
[[Double boldface brackets]]	<i>Deleted from existing law or the bill by amendment.</i>
* * *	<i>Existing law unaffected by bill.</i>

The County Council for Montgomery County, Maryland approves the following Act:

- 28 (i) number found;
- 29 (ii) number corrected; and
- 30 (iii) type of violation; and
- 31 (B) the status of any incomplete inspections.
- 32 (4) for each property required to have a corrective action plan under
- 33 Section 29-22 in the prior fiscal year or during the current fiscal
- 34 year, a list of:
- 35 (A) violations found;
- 36 (B) violations corrected; and
- 37 (C) the status of the corrective action plan;
- 38 (5) the number of citations issued to each landlord during the prior and
- 39 current fiscal years;
- 40 (6) the amount of fines collected from each landlord during the prior
- 41 and current fiscal years; and
- 42 (7) the number of calls to the County concerning rental housing
- 43 complaints, by language of the caller.

44 * * *

45 **29-22. Inspection of rental housing.**

- 46 (a) Except as provided in this Section, the Director must inspect each
- 47 apartment complex and personal living quarters building licensed as
- 48 rental housing, at least once within each three-year period to determine if
- 49 it complies with all applicable laws. The Director may inspect an
- 50 apartment complex or personal living quarters building more often than
- 51 the triennial inspection.
- 52 (b) The Director must inspect, at least once each year, any rental housing
- 53 which, after inspection, the Director:

- 54 (1) finds in violation of any applicable law that adversely affects the
 55 immediate health and safety of the tenants, including:
 56 (A) rodent or insect infestation affecting 20% or more units in a
 57 building;
 58 (B) extensive and visible mold growth on interior walls or
 59 surfaces exposed to the occupied space;
 60 (C) windows that do not permit a safe means of egress;
 61 (D) pervasive and recurring water leaks the result in chronic
 62 dampness, mold growth, or personal property damage in
 63 more than one unit; or
 64 (E) lack of one or more working utilities that is not shut off due
 65 to tenant non-payment, including:
 66 (i) natural gas;
 67 (ii) electricity;
 68 (iii) water;
 69 (iv) sewage disposal; or
 70 (2) determines to be a troubled property, under a procedure established
 71 by method (2) regulation that:
 72 (1) classifies violation types by severity; and
 73 (2) rates properties by:
 74 (i) severity of violations; and
 75 (ii) quantity of violations.
- 76 (c) The Director must require a corrective action plan for any property
 77 subject to annual inspections under subsection (b). A property required to
 78 develop and implement a corrective action plan must be inspected at least
 79 once each year until the Director determines that the corrective action
 80 plan has been successfully completed.

- 81 (d) The Director may inspect any other rental housing if the Director receives
82 a complaint or a request from a landlord or tenant or believes that the
83 rental housing does not comply with all applicable laws.
- 84 (e) As a condition of receiving a license under this Chapter, a landlord must
85 agree to:
- 86 (1) allow access to the Department for any inspection required under
87 this Chapter or Chapter 26;
- 88 (2) notify any affected tenant whose unit requires inspection at least
89 72 hours in advance of a scheduled inspection under subsection (a)
90 of this Section; and
- 91 (3) when subject to annual inspection under subsection (b), provide
92 quarterly updates to the Director listing all maintenance requests
93 received by the landlord from tenants.
- 94 (f) If an inspection indicates that any rental housing does not comply with
95 all applicable laws, the Director must notify the landlord in writing and
96 order correction of each violation within a specified period of time. If the
97 landlord does not correct the violation in the specified period of time, the
98 Director may:
- 99 (1) authorize a tenant to:
- 100 (A) have the violation corrected by a licensed contractor
101 selected from a list maintained by the Director; and
- 102 (B) deduct the reasonable cost of the repair, up to the amount of
103 one month's rent, from the tenant's rent; or
- 104 (2) revoke the license or take other remedial action under Section 29-
105 25.
- 106 (g) A landlord of licensed rental housing notified after initial inspection of a
107 violation of applicable laws must pay the cost of the third, and subsequent

108 inspections, as established in regulation, if the violation is not corrected
 109 by the second inspection.

110 * * *

111 **29-27. Contents of lease.**

112 Each lease for rental housing located in the County must:

113 * * *

114 (s) Allow the tenant to terminate the lease upon 30 days' written notice to the
 115 landlord due to:

- 116 (1) an involuntary change of employment from the Washington
 117 metropolitan area;
- 118 (2) the death of major wage earner;
- 119 (3) unemployment;
- 120 (4) the tenant or the tenant's child being a victim of domestic violence;
- 121 (5) a landlord harassing the tenant or violating the tenant's privacy
 122 rights;
- 123 (6) the tenant or tenant's spouse being:
 - 124 (A) 62 years of age or older;
 - 125 (B) no longer live independently; and
 - 126 (C) needing to move to a nursing home or other senior citizen
 127 housing;
- 128 (7) the tenant being incarcerated or declared mentally incompetent; or
- 129 (8) other reasonable cause beyond the tenant's control.

130 The lease may provide that in the event of termination under this
 131 provision, the tenant is liable for a reasonable termination charge not to
 132 exceed the lower of one month's rent or actual damages sustained by the
 133 landlord.

- 134 (t) Allow the tenant to convert a one-year lease to a two-year lease within 30
 135 days after signing the lease, unless the one-year lease was offered by the
 136 landlord consistent with subsection 29-28(c).
- 137 (u) Notify the tenant that:
- 138 (1) general information and assistance is available from the
 139 Department regarding:
- 140 (A) questions about any addenda to the lease;
 141 (B) evictions; and
- 142 (2) the tenant is entitled to a hard copy of the Landlord-Tenant
 143 Handbook as required under subsection 29-28(f) and that the
 144 Landlord-Tenant Handbook is available on the County website.
- 145 (v) Permit the tenant to correct violations of applicable law in the unit and
 146 deduct the reasonable cost of the repairs from the tenant's rent as
 147 authorized by the Director under subsection 29-22(f).
- 148 (w) Contain a plain language summary of tenant rights and responsibilities,
 149 in a form established by the Executive by method (2) regulation that
 150 includes, at a minimum:
- 151 (1) the term of the lease;
 152 (2) the amount of the rent;
 153 (3) the date on which the rent is due;
 154 (4) the tenant's responsibility, if any, for utility costs;
 155 (5) a list of additional tenant rights and responsibilities under the lease;
 156 and
 157 (6) information about services available to tenants from the
 158 Department and the Commission.

159 **29-28. Leasing requirements generally.**

160 * * *

161 (c) The landlord must offer each lease for an initial term of two years, and a
 162 two-year term at each renewal, unless the landlord has reasonable cause
 163 to offer a different term.

164 * * *

165 (2) As used in this subsection, reasonable cause means a situation in
 166 which a two-year lease would create undue hardship or expense
 167 for a landlord. Reasonable cause includes the sale of a dwelling
 168 unit if settlement is likely to occur within two years, a bona fide
 169 contract to sell the dwelling unit within two years, or a planned
 170 conversion to a condominium or cooperative within two years. If
 171 the landlord claims reasonable cause exists under this subsection,
 172 the landlord must attach to the lease a statement explaining the
 173 reasonable cause and advising the prospective tenant of the tenant's
 174 right to challenge the cause by filing a complaint with the
 175 Department.

176 (3) The landlord must include the following statement in each lease,
 177 or as an addendum to an oral lease, and assure that it is signed and
 178 dated by the parties:

179 Montgomery County law requires each landlord to offer each
 180 prospective tenant a lease for an initial term of two years, and a
 181 two-year term at each renewal, unless the landlord has reasonable
 182 cause to do otherwise. The tenant may accept or reject this offer.
 183 Before signing this lease, the tenant confirms that (initial and date
 184 one option):

185 (A) The landlord offered me a two-year lease term and I
 186 accepted it.

187 (B) The landlord offered me a two-year lease term but I rejected
188 it.

189 (C) The landlord gave me a statement:

190 (i) explaining why the landlord had reasonable cause not
191 to offer me a two-year lease term; and

192 (ii) telling me that I can challenge the landlord's action
193 by filing a complaint with the Montgomery County
194 Department of Housing and Community Affairs.

195 * * *

196 (f) At the beginning of a lease term, each landlord must provide each tenant
197 with a copy of the Landlord-Tenant Handbook unless the tenant signs a
198 statement declining a hard copy and accepting referral to the Landlord-
199 Tenant Handbook maintained on the County website.

200 (g) Unless the tenant is in breach of the lease, if a landlord does not intend to
201 offer an existing tenant a renewed lease term, the landlord must give the
202 tenant 60 days' notice of the landlord's intent to terminate tenancy at the
203 lease expiration.

204 * * *

205 **29-30. Obligations of landlords.**

206 (a) Each landlord must reasonably provide for the maintenance of the health,
207 safety, and welfare of all tenants and all individuals properly on the
208 premises of rental housing. As part of this general obligation, each
209 landlord must:

210 * * *

211 (7) For each unit in a building constructed before July 1, 1978, and for
212 which units are not individually metered, provide the tenant with

213 all information required under the Public Utilities Article of the
214 Maryland Code and applicable COMAR provisions governing:

215 (A) electric and gas submeters; and

216 (B) energy allocation systems.

217 (8) Display in the lobby, vestibule, rental office, or other prominent
218 public place on the premises, a sign in a form approved by the
219 Director that includes information in English, Spanish, French,
220 Chinese, Korean, Vietnamese, and other languages as determined
221 necessary by the Director, about:

222 (A) filing a complaint under this Chapter; and

223 (B) the retaliatory practices prohibited under this Chapter.

224 * * *

225 **29-31. Landlord notice requirements.**

226 (a) Each landlord of an apartment complex in the County must:

227 (1) post a durable notice in an accessible, conspicuous and convenient
228 place in each building to which the notice applies; or

229 (2) distribute the notice directly to all tenants.

230 The notice must contain the name or title and telephone number of at least
231 one responsible representative of the building management who may be
232 reached at all times in an emergency.

233 * * *

234 **29-33. Rights of tenants generally.**

235 * * *

236 (b) Tenants and tenant organizations have the right of free assembly in the
237 meeting rooms and other areas suitable for meetings within rental housing
238 during reasonable hours and upon reasonable notice to the landlord to
239 conduct tenant organization meetings. A landlord must not charge a

240 tenant organization or a group of tenants seeking to form a tenant
 241 organization a fee for the first meeting of each month held to discuss
 242 landlord-tenant issues, but the landlord may charge a reasonable fee for
 243 other uses of the meeting rooms or common areas. The charge must not
 244 exceed the regular schedule of fees for the facility to other groups. The
 245 landlord may also impose reasonable terms and conditions on the use of
 246 the meeting rooms or common areas if those terms and conditions do not
 247 undermine the purposes of this Section.

248 * * *

249 **29-47. Commission action when violation found.**

250 * * *

251 (b) If the Commission or panel finds that a landlord has caused a defective
 252 tenancy, it may award each party to the complaint one or more of the
 253 following remedies:

254 * * *

255 (7) An order permitting a tenant to correct the condition that
 256 constitutes the defective tenancy and abating the tenant's rent in an
 257 amount equal to the reasonable cost incurred by the tenant.

258 (8) After a retaliatory or illegal eviction as defined in Section 29-32,
 259 reasonable attorney's fees incurred by the affected tenant in
 260 defense of the retaliatory or illegal eviction. The award must not
 261 exceed \$1,000.00.

262 * * *

263 **29-51. Rental housing data collection.**

264 (a) The County Executive must establish procedures to collect and analyze
 265 housing data for rental dwelling units in the County, and must make

266 every effort to centralize the data collection functions to minimize the
 267 burden for landlords.

268 (b) The reporting process is mandatory for landlords of licensed rental
 269 housing, including new dwelling units as they come on the market and
 270 all vacant units.

271 (c) The data must be collected annually.

272 (d) The Director must use a survey form for collecting data designed to
 273 minimize the repeated reporting of unchanged information, while
 274 maintaining an accurate data base.

275 (e) The housing data collected must be used to measure the supply and
 276 availability of rental housing, as well as other operating characteristics.

277 Each landlord must provide the following to the County:

- 278 (1) The location of each rental facility, including the zip code;
- 279 (2) Structure type;
- 280 (3) Year built;
- 281 (4) Distribution of units by standard bedroom sizes;
- 282 (5) The number of units by bedroom size that were re-rented during
 283 the month;
- 284 (6) The number of vacant days applicable to those units;
- 285 (7) The rent charged for each rental unit;
- 286 (8) The rent charged for each re-rented unit before vacancy; and
- 287 (9) The new turnover rent charged for each re-rented unit.

288 * * *

289 (i) The Director is primarily responsible for controlling rental housing data
 290 surveys for the County. The Director must share this information with
 291 other governmental agencies that need it without invading individual
 292 privacy. In this regard, the Director must coordinate survey activities

293 with other County departments, and make available to the departments
294 the results of all surveys in accordance with applicable procedure.

295 (j) The Director must publish, unless the publication is prohibited under
296 State law, the information collected in the rental housing data survey
297 on the County website, including a table listing all rental housing
298 consisting of two or more dwelling units by unit type and building type.

299 (k) Any landlord who violates any provision of this Section is liable for
300 payment of a civil penalty in an amount not to exceed \$1,000 for each
301 violation.

302 **29-53. Voluntary rent guidelines; review of rent increases.**

303 (a) The County Executive must issue annual voluntary rent increase
304 guidelines not later than March 1 of each year. The Executive must
305 publish the guidelines in the County Register and on the County
306 website.

307 (b) The guidelines must be based on the increase or decrease in the
308 residential rent component of the Consumer Price Index for all urban
309 consumers for the Washington-Baltimore metropolitan area, or any
310 successor index, for the preceding calendar year, unless an alternative
311 standard better reflecting the costs of rental housing in the County is
312 established by regulation.

313 (c) The Department should encourage landlords to hold rent increases at
314 the lowest level possible. The Department may review any rent
315 increase that appears to be excessive and encourage the landlord to
316 reduce, modify, or postpone the increase.

317 **29-54. Rent adjustments; notice requirements.**

318 (a) A landlord must not increase the rent until 90 days after the landlord
319 gives the tenant written notice of the increase. A landlord must not

320 impose more than one rent increase on a tenant in any 12-month period.
 321 Each written rent increase notice must contain the following
 322 information:

- 323 (1) The amount of monthly rent immediately preceding the effective
 324 date of the proposed increase (old rent), the amount of monthly
 325 rent proposed immediately after the rent increase takes effect
 326 (new rent), and the percentage increase of monthly rent.
- 327 (2) The effective date of the proposed increase.
- 328 (3) The applicable rent increase guideline issued under Section 29-
 329 53.
- 330 (4) A notice that the tenant may ask the Department to review any
 331 rent increase that the tenant considers excessive.
- 332 (5) Other information that the landlord deems useful in explaining
 333 the rent increase.

334 An otherwise valid notice of a rent increase is not invalid because the
 335 notice contained an incorrect rent increase guideline number if the
 336 landlord reasonably believed that the number was correct.

337 * * *

338 **Sec. 29-55 – 29-65 Reserved.**

339 **Sec. 2. Two-year intensive inspection program.**

- 340 (a) The Director must, by July 1, 2019, inspect a sample of each
 341 multifamily rental property for which a certificate of occupancy was
 342 issued before January 1, 2015.
- 343 (b) The Director must provide to the Council, by January 15, 2017, a plan
 344 to inspect rental housing under subsection (a) that includes:
 - 345 (1) a means of prioritizing inspections;
 - 346 (2) standardized inspections for all units; and

347 (3) an estimate of the cost for conducting the inspections.

348 **Sec. 3. Transition.**

349 (a) The plain language summary required under Section 29-27, as amended
350 in Section 1, must be included with all leases entered into or renewed
351 after the effective date of the regulation establishing the form of the
352 plain language summary.

353 (b) The requirement that landlords provide certain information concerning
354 electric and gas utility billing under Section 29-30, as amended in
355 Section 1, takes effect 180 days after this Act becomes law.

356 *Approved:*

357

Nancy Floreen, President, County Council

Date

358 *Approved:*

359

Isiah Leggett, County Executive

Date

360 *This is a correct copy of Council action.*

361

Linda M. Lauer, Clerk of the Council

Date

362