

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. 2016

## 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

### [[By adding

Montgomery County Code  
Chapter 29, Landlord – Tenant Relations]]  
[[Sections]] [[Section 29-55]] [[and 29-56]]

<b>Boldface</b>	<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:*

1 Sec. 1. Sections 29-6, 29-22, 29-27, 29-28, 29-30, 29-31, 29-33, 29-47, 29-51,  
2 29-53, and 29-54 are amended ~~[[and]]~~ ~~[[Sections]]~~ ~~[[Section 29-55]]~~ ~~[[and 29-56~~  
3 are]] ~~[[is added]]~~ as follows:

4 **29-6. Duties of Director.**

5 In addition to any other power, duty, or responsibility assigned in this Chapter,  
6 the Director has the following duties:

7 \* \* \*

8 (f) The Director must publish and ~~[[provide on request to landlords and~~  
9 ~~tenants]]~~ maintain on the County website a ~~[[standard form]]~~ model lease,  
10 drafted in clear language understandable to persons without legal training  
11 [[, which must be used in each written lease for rental housing located in  
12 the County]]. ~~[[The Director must publish and provide on request to~~  
13 ~~landlords and tenants model optional provisions, drafted in clear language~~  
14 ~~understandable to persons without legal training, which may be used in a~~  
15 ~~lease for rental housing located in the County.]]~~ The Director must make  
16 the ~~[[standard form]]~~ model lease ~~[[and optional provisions]]~~ available in  
17 English, Spanish, French, Chinese, Korean, Vietnamese, and other  
18 languages, as ~~[[needed]]~~ determined necessary by the Director.

19 (g) The Director must publish ~~[[and provide on request to landlords and~~  
20 ~~tenants,]]~~ and maintain on the County website, in a printable format, a  
21 Landlord-Tenant Handbook to serve as a practical guide for landlords and  
22 tenants summarizing their respective rights and responsibilities. The  
23 Director must make the Landlord-Tenant Handbook available in English,  
24 Spanish, French, Chinese, Korean, Vietnamese, and other languages, as  
25 [[needed]] determined necessary by the Director. The Director must  
26 review the handbook at least ~~[[biannually]]~~ biennially and revise it as  
27 necessary.

- 28           (h)   The Director must report on rental housing inspections to the Executive  
 29           and the Council, by September 1 of each year. The report must include:  
 30           (1)   the address of each property inspected during the prior fiscal year;  
 31           (2)   the address of each property that has been inspected or is scheduled  
 32           to be inspected on an annual or triennial basis during the current  
 33           fiscal year;  
 34           (3)   for each property inspected:  
 35                   (A)   a summary of violations by:  
 36                           (i)   number found;  
 37                           (ii)  number corrected; and  
 38                           (iii)  type of violation; and  
 39                   (B)   the status of any incomplete inspections.  
 40           (4)   for each property required to have a corrective action plan under  
 41           Section 29-22 in the prior fiscal year or during the current fiscal  
 42           year, a list of:  
 43                   (A)   violations found;  
 44                   (B)   violations corrected; and  
 45                   (C)   the status of the corrective action plan[[]];  
 46           (5)   the number of citations issued to each landlord during the prior and  
 47           current fiscal years;  
 48           (6)   the amount of fines collected from each landlord during the prior  
 49           and current fiscal years; and  
 50           (7)   the number of calls to the County concerning rental housing  
 51           complaints, by language of the caller.

\*           \*           \*

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

- 54           (a)   [The] Except as provided in this Section, the Director must inspect [[all  
 55           rental housing consisting of two or more dwelling units, including]] each

56 apartment complex and personal living quarters building licensed as  
 57 rental housing, at least once [every three years] [[each year]] within each  
 58 three-year period to determine if it complies with all applicable laws.  
 59 [The Director may inspect an apartment complex or personal living  
 60 quarters building more often than the triennial inspection.] The Director  
 61 may inspect an apartment complex or personal living quarters building  
 62 more often than the triennial inspection.

63 (b) [[If the Director finds that a landlord of licensed rental housing has a  
 64 demonstrated history of compliance with applicable laws over the most  
 65 recent three years, the Director may thereafter inspect the licensed rental  
 66 housing once every three years.]] The Director must inspect, at least once  
 67 each year, any rental housing which, after inspection, the Director:

68 (1) finds in violation of any applicable law that adversely affects the  
 69 immediate health and safety of the tenants, including:

70 (A) rodent or insect infestation affecting 20% or more units in a  
 71 building;

72 (B) extensive and visible mold growth on interior walls or  
 73 surfaces exposed to the occupied space;

74 (C) windows that do not permit a safe means of egress;

75 (D) pervasive and recurring water leaks the result in chronic  
 76 dampness, mold growth, or personal property damage in  
 77 more than one unit; or

78 (E) lack of one or more working utilities that is not shut off due  
 79 to tenant non-payment, including:

80 (i) natural gas;

81 (ii) electricity;

82 (iii) water;

83 (iv) sewage disposal; or

84           (2) determines to be a troubled property, under a procedure established  
 85           by method (2) regulation that:

86           (1) classifies violation types by severity; and

87           (2) rates properties by:

88           (i) severity of violations; and

89           (ii) quantity of violations.

90           (c) The Director must require a corrective action plan for any property  
 91           subject to annual inspections under subsection (b). A property required to  
 92           develop and implement a corrective action plan must be inspected at least  
 93           once each year until the Director determines that the corrective action  
 94           plan has been successfully completed.

95           (d) The Director may inspect any other rental housing if the Director receives  
 96           a complaint or a request from a landlord or tenant or believes that the  
 97           rental housing does not comply with all applicable laws.

98           [(c)][[(d)]](e) As a condition of receiving a license under this Chapter, a  
 99           landlord must agree to:

100           (1) allow access to the Department for any inspection required under  
 101           this Chapter or Chapter 26; [[and]]

102           (2) notify any affected tenant whose unit requires inspection at least  
 103           72 hours in advance of [[the]] a scheduled inspection under  
 104           subsection (a) of this Section[.]; and

105           (3) when subject to annual inspection under subsection (b), provide  
 106           quarterly updates to the Director listing all maintenance requests  
 107           received by the landlord from tenants.

108           [(d)][[(e)]](f) If an inspection indicates that any rental housing does not  
 109           comply with all applicable laws, the Director [[may]] must notify the  
 110           landlord in writing and order correction of each violation within a

111 specified period of time. If the landlord does not correct the violation in  
112 the specified period of time, the Director may:

- 113 (1) authorize a tenant to:
  - 114 (A) have the violation corrected by a licensed contractor
  - 115 selected from a list maintained by the Director; and
  - 116 (B) deduct the reasonable cost of the repair, up to the amount of
  - 117 one month's rent, from the tenant's rent; or
- 118 (2) revoke the license or take other remedial action under Section 29-
- 119 25.

120 ~~[(f)]~~(g) A landlord of licensed rental housing ~~[[found in]]~~ notified after  
 121 initial inspection of a violation of applicable laws ~~[[more than twice in~~  
 122 two consecutive years]] must pay the cost of the ~~[[next inspection]]~~ third,  
 123 and subsequent inspections, as ~~[[determined by the Director]]~~ established  
 124 in regulation, if the violation is not corrected by the second inspection.

125 \* \* \*

126 **29-27. Contents of lease.**

127 [Each] ~~[[A landlord must use the standard form lease]]~~ ~~[[and any appropriate~~  
 128 model optional provisions]] ~~[[furnished by the Director for each]]~~ Each lease for rental  
 129 housing located in the County ~~[[. Each lease]]~~ must:

130 \* \* \*

- 131 (s) Allow the tenant to terminate the lease upon 30 days' written notice to the
- 132 landlord due to:
  - 133 (1) an involuntary change of employment from the Washington
  - 134 metropolitan area~~[[,]]~~;
  - 135 (2) the death of major wage earner~~[[,]]~~;
  - 136 (3) unemployment~~[[,]]~~;
  - 137 (4) the tenant or the tenant's child being a victim of domestic violence;

- 138           (5)   a landlord harassing the tenant or violating the tenant's privacy
- 139                     rights;
- 140           (6)   the tenant or tenant's spouse being:
- 141                     (A)   62 years of age or older;
- 142                     (B)   no longer live independently; and
- 143                     (C)   needing to move to a nursing home or other senior citizen
- 144                             housing;
- 145           (7)   the tenant being incarcerated or declared mentally incompetent; or
- 146           (8)   other reasonable cause beyond the tenant's control.

147           The lease may provide that in the event of termination under this

148           provision, the tenant is liable for a reasonable termination charge not to

149           exceed the lower of one month's rent or actual damages sustained by the

150           landlord.

151           (t)   [[Allow the tenant to rescind the lease within two days after signing the

152                     lease.

153           (u)]] Allow the tenant to convert a one-year lease to a two-year lease within 30

154                     days after signing the lease, unless the one-year lease was offered by the

155                     landlord consistent with subsection 29-28(c).

156           [[~~(v)~~](u)   Notify the tenant that:

157                     (1)   general information and assistance is available from the

158                             Department regarding:

159                             (A)   questions about any addenda to the lease;

160                             (B)   evictions [[are available from the Department.]]; and

161                     (2)   the tenant is entitled to a hard copy of the Landlord-Tenant

162                             Handbook as required under subsection 29-28(f) and that the

163                             Landlord-Tenant Handbook is available on the County website.

- 164           (v)   Permit the tenant to correct violations of applicable law in the unit and  
 165                   deduct the reasonable cost of the repairs from the tenant's rent as  
 166                   authorized by the Director under subsection 29-22(f).
- 167           ~~[(v)]~~(w)   Contain a plain language summary of tenant rights and  
 168                   responsibilities, in a form established by the Executive by method (2)  
 169                   regulation that includes, at a minimum:
- 170                   (1)   the term of the lease;  
 171                   (2)   the amount of the rent;  
 172                   (3)   the date on which the rent is due;  
 173                   (4)   the tenant's responsibility, if any, for utility costs;  
 174                   (5)   a list of additional tenant rights and responsibilities under the lease;  
 175                           and  
 176                   (6)   information about services available to tenants from the  
 177                           Department and the Commission.

178   **29-28. Leasing requirements generally.**

179   \*       \*       \*

- 180           (c)   The landlord must offer each lease for an initial term of [2] two years,  
 181                   and a two-year term at each renewal, unless the landlord has reasonable  
 182                   cause to offer a different [initial] term.

183   \*       \*       \*

- 184           (2)   As used in this subsection, reasonable cause means a situation in  
 185                   which a ~~[[2-]]~~ two-year lease would create undue hardship or  
 186                   expense for a landlord. Reasonable cause includes the sale of a  
 187                   dwelling unit if settlement ~~[[if]]~~ is likely to occur within ~~[[2]]~~ two  
 188                   years, a bona fide contract to sell the dwelling unit within ~~[[2]]~~ two  
 189                   years, or a planned conversion to a condominium or cooperative  
 190                   within ~~[[2]]~~ two years. If the landlord claims reasonable cause  
 191                   exists under this subsection, the landlord must attach to the lease a



192 statement explaining the reasonable cause and advising the  
 193 prospective tenant of the tenant's right to challenge the cause by  
 194 filing a complaint with the Department.

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

198 Montgomery County law requires each landlord to offer each  
 199 prospective tenant a lease for an initial term of [2] two years, and  
 200 a two-year term at each renewal, unless the landlord has reasonable  
 201 cause to do otherwise. The tenant may accept or reject this offer.  
 202 Before signing this lease, the tenant confirms that (initial and date  
 203 one option):

204 (A) The landlord offered me a [2] two-year lease term and I  
 205 accepted it.

206 (B) The landlord offered me a [2] two-year lease term but I  
 207 rejected it.

208 (C) The landlord gave me a statement:  
 209 (i) explaining why the landlord had reasonable cause not  
 210 to offer me a [2] two-year lease term; and  
 211 (ii) telling me that I can challenge the landlord's action  
 212 by filing a complaint with the Montgomery County  
 213 Department of Housing and Community Affairs.

214 \* \* \*

215 (f) At the beginning of a lease term, each landlord must provide each tenant  
 216 with a copy of the Landlord-Tenant Handbook [[furnished by the  
 217 Director,]] unless the tenant signs a statement declining a hard copy and  
 218 accepting referral to the Landlord-Tenant Handbook maintained on the  
 219 County website.

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

224 \* \* \*

225 **29-30. Obligations of landlords.**

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

230 \* \* \*

231 (7) For each unit in a building constructed before July 1, 1978, and for  
232 which units are not individually metered, provide the tenant with  
233 all information required under the Public Utilities Article of the  
234 Maryland Code and applicable COMAR provisions governing:

235 (A) electric and gas submeters; and

236 (B) energy allocation systems.

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

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

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

244 \* \* \*

245 **29-31. Landlord notice requirements.**

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

247 (1) post [of] a durable notice in an accessible, conspicuous and  
248 convenient place in each building to which the notice applies[[],];

249 or

250 (2) distribute [of] the notice directly to all tenants.

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

254 \* \* \*

255 **29-33. Rights of tenants generally.**

256 \* \* \*

257 (b) Tenants and tenant organizations have the right of free assembly in the  
258 meeting rooms and other areas suitable for meetings within rental housing  
259 during reasonable hours and upon reasonable notice to the landlord to  
260 conduct tenant organization meetings. A landlord must not charge a  
261 tenant organization or a group of tenants seeking to form a tenant  
262 organization a fee for the first meeting of each month held to discuss  
263 landlord-tenant issues, but [[The]] the landlord may charge a reasonable  
264 fee for [[the use]] other uses of the meeting rooms or common areas[[],].  
265 [[but the]] The charge must not exceed the regular schedule of fees for  
266 the facility to other groups. The landlord may also impose reasonable  
267 terms and conditions on the use of the meeting rooms or common areas  
268 if those terms and conditions do not undermine the purposes of this  
269 Section.

270 \* \* \*

271 **29-47. Commission action when violation found.**

272 \* \* \*

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

276 \* \* \*

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

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

284 \* \* \*

285 **29-51. Rental housing data collection.**

286 (a) The County Executive must establish procedures to collect and analyze  
 287 housing data for rental dwelling units in the County, and must make  
 288 every effort to centralize the data collection functions to minimize the  
 289 burden for landlords.

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

293 (c) The data [collection frequency] must be [on an annual basis] collected  
 294 annually.

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

298 (e) The housing data collected must be used to [ascertain] measure the  
 299 supply and availability of rental housing, as well as other operating

300 characteristics. Each landlord must provide the following [information  
 301 as requested by] to the County:

- 302 (1) The location of [the] each rental facility, including the zip code;
- 303 (2) Structure type;
- 304 (3) Year built;
- 305 (4) Distribution of units by standard bedroom sizes;
- 306 (5) The number of units by bedroom size that were re-rented during  
 307 the month;
- 308 (6) The number of vacant days applicable to those units;
- 309 (7) The rent charged for each rental unit;
- 310 (8) The rent charged for each re-rented unit before vacancy; and
- 311 (9) The new turnover rent charged for each re-rented unit.

\* \* \*

312  
 313 (i) The Director is primarily responsible for controlling rental housing data  
 314 surveys for the County. The Director must share this information with  
 315 other governmental agencies that need it without invading individual  
 316 privacy. In this regard, the Director must coordinate survey activities  
 317 with other County departments, and make available to the departments  
 318 the results of all surveys in accordance with [executive] applicable  
 319 procedure.

320 (j) The Director must publish, unless the publication is prohibited under  
 321 State law, the information collected in the rental housing data survey  
 322 on the County website, including a table listing all rental housing  
 323 consisting of two or more dwelling units [[and the average rent increase  
 324 for each unit]] by unit type and building type. [[by the following  
 325 categories:

- 326 (1) 100 percent or less of the applicable rent increase guideline;

- 327           (2) greater than 100 percent, up to 125 percent of the applicable rent  
 328           increase guideline;  
 329           (3) greater than 125 percent, up to 150 percent of the applicable rent  
 330           increase guideline; and  
 331           (4) greater than 150 percent of the applicable rent increase  
 332           guideline.]]

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

336   **29-53. Voluntary rent guidelines; review of rent increases.**

337           (a) The County Executive must issue annual voluntary rent increase  
 338           guidelines not later than March 1 of each year. The Executive must  
 339           publish the guidelines in the County Register and on the County  
 340           website.

341           (b) The guidelines must be based on the increase or decrease in the  
 342           [residential rent component of the] residential rent component of the  
 343           Consumer Price Index for all urban consumers for the Washington-  
 344           Baltimore metropolitan area, or any successor index, for the preceding  
 345           calendar year, unless an alternative standard better reflecting the costs  
 346           of rental housing in the County is established by regulation.

347           (c) The Department should encourage landlords to hold rent increases at  
 348           the lowest level possible. The Department may review any rent  
 349           increase that appears to be excessive and encourage the landlord to  
 350           reduce, modify, or postpone the increase. [[The Department must  
 351           review all rent increases that are more than 100 percent of the  
 352           applicable rent increase guideline issued under subsection (a) to  
 353           recognize patterns of increases that particularly harm tenants.]]

354   **29-54. Rent adjustments; notice requirements.**

355 (a) A landlord must not increase the rent until ~~[[at least two]]~~ [2] ~~[[months]]~~  
 356 90 days after the landlord gives the tenant written notice of the increase.  
 357 ~~[[A landlord must give the tenant at least three months written notice~~  
 358 ~~before an increase of more than 100 percent of the rent increase~~  
 359 ~~guidelines.]]~~ A landlord must not impose more than one rent increase  
 360 on a tenant in any 12-month period. Each written rent increase notice  
 361 must contain the following information:

- 362 (1) The amount of monthly rent immediately preceding the effective  
 363 date of the proposed increase (old rent), the amount of monthly  
 364 rent proposed immediately after the rent increase takes effect  
 365 (new rent), and the percentage increase of monthly rent.
- 366 (2) The effective date of the proposed increase.
- 367 (3) The applicable rent increase guideline issued under Section 29-  
 368 53.
- 369 (4) A notice that the tenant may ask the Department to review any  
 370 rent increase that the tenant considers excessive.
- 371 (5) Other information that the landlord deems useful in explaining  
 372 the rent increase.

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

376 \* \* \*

377 **[[29-55.]]** **[[Rights of tenants facing rent increases.**

- 378 (a) A tenant may ask the Department to confirm that a rent increase  
 379 complies with this Article.
- 380 (b) When a rent increase exceeds the applicable guideline, a tenant:

- 381           (1) may continue occupancy for up to two months after the lease  
 382                     term expires on a month-to-month basis at the current pre-  
 383                     increase rent; and  
 384           (2) must give at least 15 days' notice to the landlord before vacating  
 385                     the premises.

386 **29-56.]] [[Rent surcharges prohibited.**

387           A landlord must not charge more than the rent]] [[charged]] [[offered for the]]  
 388 [[prior]] [[renewed lease term when a tenant continues occupancy on a month-to-  
 389 month basis.]]

390 **[Sec. 29-55] [[Sec. 29-57]] Sec. 29-55 – 29-65 Reserved.**

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

- 392           (a) The Director must, by July 1, 2019, inspect a sample of each  
 393                     multifamily rental property for which a certificate of occupancy was  
 394                     issued before January 1, 2015.  
 395           (b) The Director must provide to the Council, by January 15, 2017, a plan  
 396                     to inspect rental housing under subsection (a) that includes:  
 397                     (1) a means of prioritizing inspections;  
 398                     (2) standardized inspections for all units; and  
 399                     (3) an estimate of the cost for conducting the inspections.

400 **Sec. 3. Transition.**

- 401           (a) The [[standard form lease]] plain language summary required under  
 402                     Section 29-27, as amended in Section 1, must be [[used for]] included  
 403                     with all leases entered into or renewed after the effective date of the  
 404                     regulation establishing the [[standard form lease]] form of the plain  
 405                     language summary.  
 406           (b) The requirement that landlords provide certain information concerning  
 407                     electric and gas utility billing under Section 29-30, as amended in  
 408                     Section 1, takes effect 180 days after this Act becomes law.



409 *Approved:*

410 *Nancy Floreen* *December 1, 2016*  
Nancy Floreen, President, County Council Date

411 *Approved:*

412 *Isiah Leggett* *December 12, 2016*  
Isiah Leggett, County Executive Date

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

414 *Linda M. Lauer* *Dec 12, 2016*  
Linda M. Lauer, Clerk of the Council Date

415