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

[[By adding
Montgomery County Code
Chapter 29, Landlord – Tenant Relations]]
[[Sections]] [[Section 29-55]] [[and 29-56]]
Sec. 1. Sections 29-6, 29-22, 29-27, 29-28, 29-30, 29-31, 29-33, 29-47, 29-51, 29-53, and 29-54 are amended [[and]] [[Sections]] [[Section 29-55]] [[and 29-56 are]] [[is added]] as follows:

29-6. Duties of Director.

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

* * *

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

(g) The Director must publish [[and provide on request to landlords and tenants,]] and maintain on the County website, in a printable format, a Landlord-Tenant Handbook to serve as a practical guide for landlords and tenants summarizing their respective rights and responsibilities. The Director must make the Landlord-Tenant Handbook available in English, Spanish, French, Chinese, Korean, Vietnamese, and other languages, as [[needed]] determined necessary by the Director. The Director must review the handbook at least [[biannually]] biennially and revise it as necessary.
(h) The Director must report on rental housing inspections to the Executive and the Council, by September 1 of each year. The report must include:

(1) the address of each property inspected during the prior fiscal year;

(2) the address of each property that has been inspected or is scheduled to be inspected on an annual or triennial basis during the current fiscal year;

(3) for each property inspected:

   (A) a summary of violations by:
   (i) number found;
   (ii) number corrected; and
   (iii) type of violation; and

   (B) the status of any incomplete inspections.

(4) for each property required to have a corrective action plan under Section 29-22 in the prior fiscal year or during the current fiscal year, a list of:

   (A) violations found;
   (B) violations corrected; and
   (C) the status of the corrective action plan[[]];

(5) the number of citations issued to each landlord during the prior and current fiscal years;

(6) the amount of fines collected from each landlord during the prior and current fiscal years; and

(7) the number of calls to the County concerning rental housing complaints, by language of the caller.

* * *

29-22. Inspection of rental housing.

(a) [The] Except as provided in this Section, the Director must inspect [[all rental housing consisting of two or more dwelling units, including]] each
apartment complex and personal living quarters building licensed as
rental housing, at least once [every three years] [[each year]] within each
three-year period to determine if it complies with all applicable laws.
[The Director may inspect an apartment complex or personal living
quarters building more often than the triennial inspection.] The Director
may inspect an apartment complex or personal living quarters building
more often than the triennial inspection.
[[If the Director finds that a landlord of licensed rental housing has a
demonstrated history of compliance with applicable laws over the most
recent three years, the Director may thereafter inspect the licensed rental
housing once every three years.]] The Director must inspect, at least once
each year, any rental housing which, after inspection, the Director:
(1) finds in violation of any applicable law that adversely affects the
immediate health and safety of the tenants, including:
(A) rodent or insect infestation affecting 20% or more units in a
building;
(B) extensive and visible mold growth on interior walls or
surfaces exposed to the occupied space;
(C) windows that do not permit a safe means of egress;
(D) pervasive and recurring water leaks the result in chronic
dampness, mold growth, or personal property damage in
more than one unit; or
(E) lack of one or more working utilities that is not shut off due
to tenant non-payment, including:
(i) natural gas;
(ii) electricity;
(iii) water;
(iv) sewage disposal; or
(2) determines to be a troubled property, under a procedure established by method (2) regulation that:

(1) classifies violation types by severity; and

(2) rates properties by:

(i) severity of violations; and

(ii) quantity of violations.

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

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

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

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

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

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

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

(1) authorize a tenant to:

(A) have the violation corrected by a licensed contractor selected from a list maintained by the Director; and

(B) deduct the reasonable cost of the repair, up to the amount of one month’s rent, from the tenant’s rent; or

(2) revoke the license or take other remedial action under Section 29-25.

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

*       *       *

29-27. Contents of lease.

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

*       *       *

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

(1) an involuntary change of employment from the Washington metropolitan area[[.]];  
(2) the death of major wage earner[[.]];  
(3) unemployment[[.]];  
(4) the tenant or the tenant’s child being a victim of domestic violence;
a landlord harassing the tenant or violating the tenant’s privacy rights;

the tenant or tenant’s spouse being:

(A) 62 years of age or older;
(B) no longer live independently; and
(C) needing to move to a nursing home or other senior citizen housing;

(7) the tenant being incarcerated or declared mentally incompetent; or
(8) other reasonable cause beyond the tenant’s control.

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

(1) Allow the tenant to rescind the lease within two days after signing the lease.

(u)] Allow the tenant to convert a one-year lease to a two-year lease within 30 days after signing the lease, unless the one-year lease was offered by the landlord consistent with subsection 29-28(e).

notify the tenant that:

(1) general information and assistance is available from the Department regarding:

(A) questions about any addenda to the lease;
(B) evictions [[are available from the Department.]]; and

(2) the tenant is entitled to a hard copy of the Landlord-Tenant Handbook as required under subsection 29-28(f) and that the Landlord-Tenant Handbook is available on the County website.
(v) Permit the tenant to correct violations of applicable law in the unit and deduct the reasonable cost of the repairs from the tenant’s rent as authorized by the Director under subsection 29-22(f).

[(v)](w) Contain a plain language summary of tenant rights and responsibilities, in a form established by the Executive by method (2) regulation that includes, at a minimum:

(1) the term of the lease;
(2) the amount of the rent;
(3) the date on which the rent is due;
(4) the tenant’s responsibility, if any, for utility costs;
(5) a list of additional tenant rights and responsibilities under the lease; and
(6) information about services available to tenants from the Department and the Commission.


* * *

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

* * *

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

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

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

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

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

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

    * * *

(f) At the beginning of a lease term, each landlord must provide each tenant with a copy of the Landlord-Tenant Handbook [[furnished by the Director,]] unless the tenant signs a statement declining a hard copy and accepting referral to the Landlord-Tenant Handbook maintained on the County website.
(g) Unless the tenant is in breach of the lease, if a landlord does not intend to offer an existing tenant a renewed lease term, the landlord must give the tenant 60 days' notice of the landlord's intent to terminate tenancy at the lease expiration.

* * * *


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

* * * *

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

(A) electric and gas submeters; and

(B) energy allocation systems.

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

(A) filing a complaint under this Chapter; and

(B) the retaliatory practices prohibited under this Chapter.

* * * *

29-31. Landlord notice requirements.

(a) Each landlord of an apartment complex in the County must:
post [of] a durable notice in an accessible, conspicuous and convenient place in each building to which the notice applies\[.\] or distribute [of] the notice directly to all tenants.

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

* * * * * * * *


* * * * * * * *

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

* * * * * * * *

29-47. Commission action when violation found.

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

* * *

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

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

* * *

29-51. Rental housing data collection.

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

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

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

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

(e) The housing data collected must be used to [ascertain] measure the supply and availability of rental housing, as well as other operating
characteristics. Each landlord must provide the following [information as requested by] to the County:

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

* * *

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

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

(1) 100 percent or less of the applicable rent increase guideline:
(2) greater than 100 percent, up to 125 percent of the applicable rent increase guideline;

(3) greater than 125 percent, up to 150 percent of the applicable rent increase guideline; and

(4) greater than 150 percent of the applicable rent increase guideline.]

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

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

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

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

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

29-54. Rent adjustments; notice requirements.
A landlord must not increase the rent until [[at least two][2][months]]
90 days after the landlord gives the tenant written notice of the increase.
[[A landlord must give the tenant at least three months written notice
before an increase of more than 100 percent of the rent increase
guidelines.]] A landlord must not impose more than one rent increase
on a tenant in any 12-month period. Each written rent increase notice
must contain the following information:

1. The amount of monthly rent immediately preceding the effective
date of the proposed increase (old rent), the amount of monthly
rent proposed immediately after the rent increase takes effect
(new rent), and the percentage increase of monthly rent.

2. The effective date of the proposed increase.

3. The applicable rent increase guideline issued under Section 29-
53.

4. A notice that the tenant may ask the Department to review any
rent increase that the tenant considers excessive.

5. Other information that the landlord deems useful in explaining
the rent increase.

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

* * *

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

(a) A tenant may ask the Department to confirm that a rent increase
complies with this Article.

(b) When a rent increase exceeds the applicable guideline, a tenant:
may continue occupancy for up to two months after the lease term expires on a month-to-month basis at the current pre-increase rent; and

(2) must give at least 15 days’ notice to the landlord before vacating the premises.

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

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

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

Sec. 2. Two-year intensive inspection program.

(a) The Director must, by July 1, 2019, inspect a sample of each multifamily rental property for which a certificate of occupancy was issued before January 1, 2015.

(b) The Director must provide to the Council, by January 15, 2017, a plan to inspect rental housing under subsection (a) that includes:

(1) a means of prioritizing inspections;

(2) standardized inspections for all units; and

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

Sec. 3. Transition.

(a) The [[standard_form lease]] plain language summary required under Section 29-27, as amended in Section 1, must be [[used for]] included with all leases entered into or renewed after the effective date of the regulation establishing the [[standard_form lease]] form of the plain language summary.

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

Nancy Floreen, President, County Council

December 1, 2016

Isiah Leggett, County Executive

December 12, 2016

This is a correct copy of Council action.

Linda M. Lauer, Clerk of the Council

Dec 12, 2016