

Racial Equity and Social Justice (RESJ) Impact Statement

Office of Legislative Oversight

BILL 6-25: CONSUMER PROTECTION – DEFECTIVE TENANCIES AS DECEPTIVE TRADE PRACTICES

SUMMARY

The Office of Legislative Oversight (OLO) anticipates Bill 6-25 could have a positive impact on racial equity and social justice (RESJ) in the County. Black and Latinx tenants would disproportionately benefit from improvements to addressing housing complaints. However, the actual RESJ impact of this Bill will depend on how it is implemented and if it is more effective than existing processes for addressing tenant complaints.

PURPOSE OF RESJ IMPACT STATEMENTS

RESJ impact statements (RESJIS) evaluate the anticipated impact of legislation on racial equity and social justice in the County. RESJ is a **process** that focuses on centering the needs, leadership, and power of Black, Indigenous, and other people of color (BIPOC) and communities with low incomes. RESJ is also a **goal** of eliminating racial and social inequities. Applying a RESJ lens is important to achieve RESJ.¹ This involves seeing, thinking, and working differently to address the racial and social inequities that cause racial and social disparities.²

PURPOSE OF BILL 6-25

Currently, under the County's consumer protection laws, "defective tenancies" are excluded from the scope of consumer protection.³ Instead, tenants can file formal complaints with the Department of Housing and Community Affairs (DHCA) regarding housing code violations and violations of landlord-tenant laws.⁴

Bill 6-25 seeks to strengthen protections for renters by expanding the Office of Consumer Protection's authority to "investigate and enforce consumer protection laws in landlord-tenant matters that may include unfair or deceptive trade practices." If enacted, Bill 6-25 would remove the existing exemption under County Code that excludes "defective tenancies" from the scope of consumer protection.⁵

According to the Bill's introduction packet, unfair or deceptive trade practices by landlords include unfit rental housing, amenities not as advertised, failure to repair essential building services, imposition of junk fees, and chronic housing violations.⁶ According to the Bill's sponsors, Bill 6-25 seeks to develop new tools for compliance to housing code violations and give renters meaningful recourse when violations occur.⁷

The County Council introduced Bill 6-25, Consumer Protection – Defective Tenancies as Deceptive Trade Practices, on February 11, 2025.

In March 2024, OLO published a RESJIS for Bill 7-24, Landlord-Tenant Relations – Tenant Protection and Notification.⁸ Please refer to this RESJIS for background on housing quality and racial equity.

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ANTICIPATED RESJ IMPACTS

Current process for addressing housing issues. To understand the RESJ impact of Bill 6-25, it is helpful to understand existing processes for tenants to address housing issues with landlords. DHCA primarily addresses rental housing issues via tenant complaints. The following programs in DHCA receive and address tenant complaints:

- **Code Enforcement:** DHCA’s Code Enforcement program is responsible for enforcing County laws that set standards for “safe, decent and clean housing.”⁹ Violations of these laws are typically referred to as housing code violations. Examples of urgent code violations include no heat or air conditioning, severe infestations, and excessive mold, among others.¹⁰ Tenants who are experiencing code violations can [file a complaint](#) with the Code Enforcement program online, by phone, or by mail.¹¹ Code Enforcement inspectors are responsible for investigating complaints and working with landlords to address housing code violations. Inspectors can issue citations to landlords for code violations. If housing code violations are unresolved, DCHA can sue landlords in District Court.
- **Office of Landlord-Tenant Affairs:** The Office of Landlord-Tenant Affairs (OLTA) is responsible for enforcing the County’s landlord-tenant (LLT) laws.¹² LLT laws outline the rights and responsibilities of landlords and tenants in the County.¹³ These include guidelines on security deposits, rent increase notices, and lease termination, among others. Violations of LLT laws or lease terms are referred to as defective tenancies.¹⁴ Tenants who are experiencing defective tenancies can [file a complaint](#) with OLTA.¹⁵ LLT investigators are responsible for investigating complaints and mediating disputes between landlords and tenants. If cases are unresolved, they are referred to the Commission on Landlord-Tenant Affairs. The Commission may hold a hearing on the case or dismiss it.¹⁶

RESJ impact of Bill 6-25. To consider the anticipated impact of Bill 6-25 on RESJ in the County, OLO recommends the consideration of two related questions:

- Who would primarily benefit or be burdened by this bill?
- What racial and social inequities could passage of this bill weaken or strengthen?

For the first question, OLO considered the demographics of renters in the County. Renters will primarily benefit from adding defective tenancies to the scope of consumer protection. Table 1 shows that Black and Latinx households are overrepresented among renter households in the County. Conversely, White, and to a lesser extent, Asian households are underrepresented among renter households. Native American and Pacific Islander households are proportionately represented.

Table 1: Percent of Renter-Occupied Households by Race and Ethnicity, Montgomery County, MD

Race and ethnicity	Renter-Occupied Households	All Households
Asian	11.5	14.4
Black	30.7	18.7
Native American	0.4	0.4
Pacific Islander	0.1	0.1
White	37.2	50.9
Latinx	19.9	15.2

Source: [Table S2502](#), 2023 American Community Survey 5-Year Estimates, Census Bureau.

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For the second question, OLO considered how Bill 6-25 could impact racial inequities and disparities in housing quality. As described in the RESJ Policy Handbook, because of “limit[ed] housing and economic opportunities for BIPOC families, BIPOC residents live in substandard housing conditions at higher rates than White residents.”¹⁷ This likely causes BIPOC community members to experience higher rates of housing code violations and defective tenancies.

Available data suggests existing tools for addressing tenant complaints may be ineffective. For instance, while DHCA sued landlords for a total of \$1.5 million in unpaid fines for code violations in FY 2024, they only recovered \$100,375.¹⁸ In discussions with OLO, personnel with the Office of Consumer Protection (OCP) noted they currently do not have sufficient staffing to add investigating and enforcing defective tenancies to their scope of work.¹⁹ Therefore, OLO cannot assess how Bill 6-25 would improve upon existing processes for addressing tenant complaints and how this could impact racial inequities and disparities in housing quality.

Conclusion. OLO anticipates Bill 6-25 could have a positive impact on RESJ in the County. Black and Latinx tenants would disproportionately benefit from improvements to addressing housing complaints. However, the actual RESJ impact of this Bill will depend on how it is implemented and if it is more effective than existing processes for addressing tenant complaints.

RECOMMENDED AMENDMENTS

The Racial Equity and Social Justice Act requires OLO to consider whether recommended amendments to bills aimed at narrowing racial and social inequities are warranted in developing RESJ impact statements.²⁰ OLO finds Bill 6-25 could have a positive impact on RESJ in the County. As such, OLO does not offer recommended amendments.

CAVEATS

Two caveats to this racial equity and social justice impact statement should be noted. First, predicting the impact of legislation on racial equity and social justice is a challenging analytical endeavor due to data limitations, uncertainty, and other factors. Second, this RESJ impact statement is intended to inform the legislative process rather than determine whether the Council should enact legislation. Thus, any conclusion made in this statement does not represent OLO's endorsement of, or objection to, the bill under consideration.

¹ Definition of racial equity and social justice adopted from Marlysa Gamblin et al., “[Applying Racial Equity to U.S. Federal Nutrition Programs](#),” Bread for the World and [Racial Equity Tools](#).

² Ibid.

³ [Montgomery County Code § 11-5](#).

⁴ [Tenant Rights and Responsibilities](#), Department of Housing and Community Affairs.

⁵ [Introduction Staff Report for Bill 6-25](#), Montgomery County Council, Introduced February 11, 2025.

⁶ Ibid.

⁷ “[Montgomery County Councilmember Kristin Mink, Council Vice President Will Jawando, County Executive Marc Elrich, Others Hold Press Conference with Tenant Leaders for Introduction of Bill 6-25 to Hold Landlords Accountable for Chronic Code Violations](#),” Montgomery County Council, February 11, 2025.

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⁸ [RESJIS for Bill 7-24](#), Office of Legislative Oversight, March 25, 2024.

⁹ [Housing Code Enforcement](#), Department of Housing and Community Affairs.

¹⁰ [Housing & Building Code Enforcement Handbook](#), Department of Housing and Community Affairs, June 30, 2023, pg. 34.

¹¹ “How to File a Complaint,” [Housing Code Enforcement](#), Department of Housing and Community Affairs.

¹² [Office of Landlord-Tenant Affairs](#), Department of Housing and Community Affairs.

¹³ [Landlord-Tenant Handbook](#), Department of Housing and Community Affairs, January 2024.

¹⁴ [Montgomery County Code § 29-1](#).

¹⁵ [The Complaint Process](#), Department of Housing and Community Affairs.

¹⁶ Ibid.

¹⁷ Elaine Bonner-Tompkins, et al., OLO Report 2024-11, [Racial Equity and Social Justice Policy Handbook: Land Use, Housing, and Economic Development](#), Office of Legislative Oversight, June 18, 2024, pgs. 37-38.

¹⁸ “Montgomery County Councilmember Kristin Mink, Council Vice President Will Jawando, County Executive Marc Elrich, Others Hold Press Conference with Tenant Leaders for Introduction of Bill 6-25 to Hold Landlords Accountable for Chronic Code Violations”

¹⁹ OLO conversations with Office of Consumer Protection staff on February 14, 2025.

²⁰ Bill 27-19, Administration – Human Rights – Office of Racial Equity and Social Justice – Racial Equity and Social Justice Advisory Committee – Established, Montgomery County Council