

Racial Equity and Social Justice (RESJ) Impact Statement

Office of Legislative Oversight

EXPEDITED

LANDLORD-TENANT RELATIONS – FEES

BILL 8-25:

SUMMARY

The Office of Legislative Oversight (OLO) anticipates Bill 8-25 will have a minimal impact on racial equity and social justice (RESJ) in the County. The proposed changes to setting annual licensing fees for rental housing are not likely to benefit or burden community members by race or ethnicity in a meaningful way. They are also not likely to impact racial inequities and disparities in the County.

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 EXPEDITED BILL 8-25

Licensing and Registration in the Department of Housing and Community Affairs (DHCA) issues licenses for rental housing in the County.³ Property owners must pay an annual licensing fee to DHCA for each rental unit. The licensing fee varies depending on if the rental unit is a single-family home, an accessory dwelling unit, or a unit in a multifamily building.⁴ Currently, the County Executive must set the annual licensing fees for rental units by Method (3) regulation.⁵

The purpose of Bill 8-25 is to change the process for setting the annual licensing fees for rental housing. If enacted, Bill 8-25 would allow the County Executive to:⁶

- Recommend fees to the Council that are adopted by Council resolution; and
- Raise fees adopted by Council resolution by Method (3) regulation.

The fees would be published on DHCA's website. The Appendix includes descriptions of the approval processes for regulations and Council resolutions.

The Council introduced Expedited Bill 8-25, Landlord-Tenant Relations – Fees, on March 4, 2025.

ANTICIPATED RESJ IMPACTS

To consider the anticipated impact of Bill 8-25 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?

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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.⁷ OLO anticipates Expedited Bill 8-25 will have a minimal 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.

APPENDIX

Approval Process for Regulations and Council Resolutions

Regulations ([Montgomery County Code § 2A-15](#))

Regardless of the method, the County Executive must publish all proposed regulations in the County Register. For each proposed regulation, the publication should include:

- Information on the public hearing, if any; and
- Instructions for the public to submit comments.

The Executive must send a copy of the proposed regulation to the Council after the deadline for public comment. The approval process for the proposed regulation depends on its designated method:

- Under **Method (1)**, the proposed regulation cannot be adopted until the Council approves it. The Council can approve or disapprove the proposed regulation by Council resolution.
- Under **Method (2)**, the Council can approve or disapprove the proposed regulation by Council resolution. If the Council does not vote on the regulation within 60 days, it is automatically approved.
- Under **Method (3)**, the Council is not required to approve or disapprove the proposed regulation. The regulation takes effect when the Council receives it or on a later date specified in the regulation.

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Council Resolutions ([Rule 7](#) and [Rule 11](#), Rules of Procedures of County Council, Montgomery County Code)

A resolution is introduced to the Council by the Council President or by its sponsoring Councilmembers. The Council can vote on a resolution on the next meeting after its introduction. A majority of the Council must approve the resolution to adopt it.

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 [Licensing and Registration](#), Department of Housing and Community Affairs.

⁴ [Montgomery County Code § 29-20](#).

⁵ [Introduction Staff Report for Bill 8-25](#), Montgomery County Council, Introduced March 4, 2025.

⁶ Ibid.

⁷ Bill 27-19, Administration – Human Rights – Office of Racial Equity and Social Justice – Racial Equity and Social Justice Advisory Committee – Established, Montgomery County Council