



Committee: Directly to Council
Committee Review: N/A
Staff: Christine Wellons, Legislative Attorney
Purpose: To introduce agenda item – no vote expected
Keywords: #NoRentIncreases
 #RentStability

AGENDA ITEM #11C
 July 13, 2021
Introduction

SUBJECT

Expedited Bill 30-21, Landlord-Tenant Relations – Restrictions During Emergencies – Extended Limitations Against Rent Increases and Late Fees

Lead Sponsor: Councilmember Jawando

EXPECTED ATTENDEES

None

COUNCIL DECISION POINTS & COMMITTEE RECOMMENDATION

- N/A; bill introduction

DESCRIPTION/ISSUE

On April 23, 2020, the County Council enacted Expedited Bill 18-20, the COVID-19 Renter Relief Act, which prohibited landlords from raising rent above certain guidelines during the COVID emergency declared by Governor Hogan, and for a 90-day period after the expiration of the emergency.

Expedited Bill 30-21 would extend the prohibition against raising rents above the guidelines until 1 year after the expiration of the emergency. In addition, the bill would prohibit charging fees for late rent payments during the emergency, and for 1 year after the expiration of the emergency.

SUMMARY OF KEY DISCUSSION POINTS

- N/A; bill introduction

This report contains:

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Expedited Bill 30-21	©1
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Sponsor’s Memorandum	©5

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MEMORANDUM

July 8, 2021

TO: County Council

FROM: Christine Wellons, Legislative Attorney

SUBJECT: Expedited Bill 30-21, Landlord-Tenant Relations – Restrictions During Emergencies – Extended Limitations Against Rent Increases and Late Fees¹

PURPOSE: Introduction – no Council votes required

Expedited Bill 30-21, Landlord-Tenant Relations – Restrictions During Emergencies – Extended Limitations Against Rent Increases and Late Fees, sponsored by Lead Sponsor Councilmember Jawando, is scheduled for introduction on July 13, 2021. A public hearing is tentatively scheduled for September 14, 2021 at 1:30 p.m.

Expedited Bill 30-21 would build upon expedited legislation passed by the Council on April 23, 2020 in response to the COVID rental crisis. The 2020 legislation – the COVID-19 Renter Relief Act – limited the increase of residential rents during the catastrophic health emergency declared by Governor Hogan on March 5, 2020. Under the COVID-19 Renter Relief Act, the limitation on rent increases lasts for 90 days after the emergency expires.

Under Bill 30-21, the limitation on rent increases would be extended from 90 days to 1 year after the expiration of the emergency. In addition, the bill would prohibit charging late fees accrued during, and for 1 year after, the emergency.

BACKGROUND

The purpose of Expedited Bill 30-21 is to extend certain protections for tenants as they recover from the recent catastrophic health emergency declared by the Governor on March 5 in response to the COVID-19 pandemic.

SPECIFICS OF THE BILL

Under current law, the COVID-19 Renters Relief Act enacted by the Council on April 23, 2020, rents may not be increased above certain rent guidelines during the COVID “catastrophic health emergency” declared by Governor Hogan on March 5, 2020, and for 90 days after the expiration of the emergency. Expedited Bill 30-21 would extend the period that rent increases may not exceed certain guidelines from the current 90 days to 1 full year after the expiration of the emergency.

¹ #NoRentIncreases
#RentStability

In addition to limiting rent increases, the bill would prohibit landlords from charging fees accrued for late rent payments during the emergency, and for a period of 1 year after the expiration of the emergency. The bill would not require landlords to refund late fees that have been paid already, but it would apply “to any uncollected late fee for rent that became due on or after the date of the emergency, including rent that became due on or after the date of the emergency and before the effective date of this Act.”

The bill also would extend the sunset of the Covid-19 Renter Relief Act. The Act currently is scheduled to sunset 181 days after the expiration of the emergency. Bill 30-21 would extend the sunset until 18 months after the expiration of the emergency.

This packet contains:

Expedited Bill 30-21
Legislative Request Report
Sponsor’s Memorandum

Circle #

©1
©4
©5

Expedited Bill No. 30-21
Concerning: Landlord-Tenant Relations –
Restrictions During Emergencies –
Extended Limitations Against Rent
Increases and Late Fees
Revised: 7/7/2021 Draft No. 4
Introduced: _____
Expires: _____
Enacted: _____
Executive: _____
Effective: _____
Sunset Date: None
Ch. _____, Laws of Mont. Co. _____

COUNTY COUNCIL FOR MONTGOMERY COUNTY, MARYLAND

Lead Sponsor: Councilmember Jawando

AN EXPEDITED ACT to:

- (1) prohibit fees for the late rent payments during certain emergencies;
- (2) extend the time after an emergency during which rent increases must not exceed certain guidelines; and
- (2) generally amend the law regarding rents and fees for rental housing, and regarding landlord-tenant relations.

By amending

Montgomery County Code
Chapter 29, Landlord-Tenant Relations
Section 29-55

Laws of Montgomery County 2020
Chapter 14

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:

1 **Sec. 1. Section 29-55 is amended as follows:**

2 **29-55. Rent increases and late fees during state of emergency – prohibited.**

3 (a) *Definitions.* In this Section, the following terms have the meanings
4 indicated.

5 *Emergency* means the catastrophic health emergency declared by the
6 Governor of Maryland on March 5, 2020, as amended or extended by the
7 Governor, under Section 14-3A-02 of the Public Safety Article of the
8 Maryland Code.

9 *Tenant* has the meaning stated in Section 29-1. Tenant includes an
10 existing tenant. Tenant does not include a prospective tenant.

11 (b) *Rent increases above guidelines – when prohibited.* A landlord must not
12 increase a tenant’s rent to an amount that exceeds the voluntary rent
13 guidelines under Section 29-53 if:

14 (1) the rent increase would take effect during an emergency; or

15 (2) notice of the rent increase does not comply with subsection (c) and
16 Section 29-54.

17 (c) *Notices of rent adjustments.*

18 (1) During an emergency and within [90 days] 1 year after the
19 expiration of an emergency, a landlord must not notify a tenant of
20 a rent increase if the increase would exceed the voluntary rent
21 guidelines under Section 29-53.

22 (2) If a landlord provided notice of a rent increase to a tenant prior to
23 the emergency and the increase would exceed the voluntary rent
24 guidelines under Section 29-53, the landlord must inform the
25 tenant in writing:

- 26 (A) to disregard the notice; or
 27 (B) that the increase is amended to be less than or equal to the
 28 voluntary rent guidelines under Section 29-53.

29 (d) Late fees – when prohibited. A landlord must not charge a fee to a tenant
 30 for the nonpayment or late payment of rent due during an emergency, or
 31 due within 1 year after the expiration of the emergency.

32 [(d)] (e) *Notice of expiration of emergency.* The Department must post on
 33 its website information about the requirements of this Section, including
 34 the date that an emergency expires, and the date that is [90 days] 1 year
 35 after the expiration of the emergency.

36 **Sec. 2. Expedited Effective Date.** The Council declares that this legislation is
 37 necessary for the immediate protection of the public interest. This Act takes effect on
 38 the date on which it becomes law.

39 **Sec. 3. Application of Late Fee Restrictions.** Section 22-55(d), added under
 40 section 1 of this Act: (1) applies to any uncollected late fee for rent that became due on
 41 or after the date of the emergency, including rent that became due on or after the date
 42 of the emergency and before the effective date of this Act; but (2) does not require a
 43 landlord to refund to a tenant any payment received by the landlord prior to the
 44 effective date of this Act.

45 **Sec. 4. Section 3 of Chapter 14 of the Laws of Montgomery County 2020 is**
 46 **amended as follows:**

47 Sec. 3. Sunset date. This Act must expire, and must have no further force or
 48 effect, upon [the 181st day] 18 months following the expiration of the catastrophic
 49 health emergency declared by the Governor of Maryland on March 5, 2020, as
 50 amended or extended by the Governor.

LEGISLATIVE REQUEST REPORT

Expedited Bill 30-21

Landlord-Tenant Relations – Restrictions During Emergencies – Extended Limitations Against Rent Increases and Late Fees

DESCRIPTION: Expedited Bill 30-21 would restrict certain rent increases and late fees for one year after the expiration of the COVID-19 emergency, which was declared by the Governor on March 5, 2020.

PROBLEM: The burden of rent increases and late fees for tenants during public emergencies.

GOALS AND OBJECTIVES: Prevent landlords from increasing a tenant's rent above certain guidelines, or from charging late fees, for one year after the expiration of the COVID emergency declared by the Governor.

COORDINATION: Department of Housing and Community Affairs

FISCAL IMPACT: OMB

ECONOMIC IMPACT: OLO

EVALUATION: To be done.

EXPERIENCE ELSEWHERE: Montgomery County's COVID-19 Renter Relief Act of 2020

SOURCE OF INFORMATION: Christine Wellons, Legislative Attorney

APPLICATION WITHIN MUNICIPALITIES: N/A

PENALTIES: Class A violation under Section 29-8

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MONTGOMERY COUNTY COUNCIL
ROCKVILLE, MARYLAND

WILL JAWANDO
COUNCILMEMBER
AT-LARGE

TO: Councilmembers
Chiefs of Staff

FROM: Councilmember Will Jawando

Dear Colleagues:

When Governor Hogan declared a State of Emergency on March 5, 2020 due to COVID-19 pandemic, no one could fully imagine what was ahead. Since that time, there have been over 71,000 COVID-19 cases, 1,600 deaths and the loss of countless businesses in Montgomery County alone. Fifteen months later, as we work through recovery from this devastation, one of the biggest dilemmas we face is the current eviction crisis.

On June 15, 2021, Governor Hogan announced plans to lift Maryland's state of emergency on July 1, 2021. This action will put an end to all the state's mandates and restrictions related to COVID-19, including important tenant protections. At the beginning of the pandemic, I introduced and the Council passed Bill 18-20, Landlord-Tenant Relations-Rent Stabilizations During Emergencies, to protect Montgomery County renters from destabilizing rent increases. The law is tied to the Governor's declaration and will expire 90 days after the end of the state of emergency. Unfortunately, given the depth of the pandemic and economic fallout our residents need more time.

In the coming weeks, I will be introducing legislation to extend the time that rent increases must not exceed the Voluntary Rent Guidelines to one (1) year after the expiration of an emergency and prohibit late fees for late rent payments. This is a critical step that will help build the necessary bridge that families need as we work towards an equitable recovery from the COVID-19 pandemic. A copy of the proposed legislation is included for your review.

We must continue to provide protections and solutions for Montgomery County residents that we have not had to consider in the past and I hope you will join me in supporting this

legislation. Please reach out to Pam Luckett in my office if you would like to co-sponsor or have any questions.

Sincerely,

Will Jawando

cc: Chiefs of Staff
Christine Wellons
Marlene Michaelson
Linda McMillan
Craig Howard
Sonya Healy