

**Department of Legislative Services**  
Maryland General Assembly  
2005 Session

**FISCAL AND POLICY NOTE**

House Bill 550

(Delegate McConkey, *et al.*)

Environmental Matters

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**Real Property - Companion Apartments**

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This bill authorizes the owner of a “residential dwelling” to create and rent a companion apartment in the dwelling under specified conditions.

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**Fiscal Summary**

**State Effect:** The bill would not directly affect State operations or finances.

**Local Effect:** Local government expenditures and revenues would increase to the extent local governments must inspect and license construction of rental units under the bill. Local government revenues could increase to the extent local governments charge licensing fees for rental units. Any such increases are assumed to be minimal.

**Small Business Effect:** Minimal.

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**Analysis**

**Bill Summary:** A residential dwelling is an owner-occupied, single-family detached house. In order to be eligible, the property may not be: (1) subject to a condominium regime; or (2) located in a development subject to a declaration of a homeowners association or a cooperative project without the express permission of the association or project. If an association or project grants permission, it may not revoke that permission as long as the apartment is tenant-occupied, with no more than a six-month gap between tenants. A house may have only one companion apartment.

A companion apartment created under the bill must have at least 500 square feet of living space; use the same address as the house; and be subject to all fire, safety, and building regulations.

If the house is no longer owner-occupied, the apartment may no longer be used as such and any structural accommodations must be removed.

A county or municipal corporation may not generally prohibit the creation or rental of companion apartments. However, a county or municipal corporation may impose health and safety standards that are more stringent than this bill.

**Current Law:** Companion apartments are regulated by local governments.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Department of Planning, City of Laurel, Wicomico County, Allegany County, Montgomery County, Prince George's County, Town of La Plata, Baltimore City, Department of Legislative Services

**Fiscal Note History:** First Reader - February 15, 2005  
mam/jr

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Analysis by: T. Ryan Wilson

Direct Inquiries to:  
(410) 946-5510  
(301) 970-5510