

SENATE BILL 654

O2, C8

71r0834

By: **Senator Muse**

Introduced and read first time: February 2, 2007

Assigned to: Education, Health, and Environmental Affairs and Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Department of Housing and Community Development – Rent Stabilization**
3 **Program for Seniors**

4 FOR the purpose of establishing the Rent Stabilization Program for Seniors in the
5 Department of Housing and Community Development; extending the Rental
6 Housing Programs Fund to operate, make loans, and pay expenses of the
7 Program; providing for the purposes and scope of the Program; requiring the
8 Department to administer the Program; authorizing the Department to ask the
9 State to increase or replace amounts deposited in the Fund; providing for
10 exemption from the provisions of this Act for certain establishments; restricting
11 the amount of rent landlords may charge certain senior tenants and their
12 households; providing for adjustment of the rent ceiling of individual rental
13 units; making certain landlords eligible for a certain tax credit; requiring a
14 certain registration statement to be filed with the Department; establishing
15 certain procedures for landlords and tenants to petition for a rent ceiling
16 adjustment hearing; requiring the Department to make an official record of a
17 certain hearing; specifying certain factors that the Department must consider in
18 deciding whether to grant an individual adjustment of rent; prohibiting the
19 approval of a certain adjustment of the rent ceiling under certain
20 circumstances; specifying certain times when certain adjustments become
21 effective; requiring the Secretary of the Department to give a certain notice of
22 violations of certain provisions; providing for judicial review of certain decisions,
23 notices, and orders; providing for a certain exemption due to financial hardship;
24 specifying that certain agreements to modify certain provisions of this subtitle
25 are void; authorizing the governing body of a county or municipal corporation to
26 grant, by law, a property tax credit against the county or municipal corporation

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



property tax imposed on rental dwellings of owners who are covered under this Act; imposing a certain penalty; defining certain terms; and generally relating to rent stabilization for senior tenants in the State.

BY repealing and reenacting, with amendments,
Article – Housing and Community Development
Section 4–103 and 4–504
Annotated Code of Maryland
(2006 Volume)

BY adding to
Article – Housing and Community Development
Section 4–4A–01 through 4–4A–20 to be under the new subtitle “Subtitle 4A.
Rent Stabilization Program for Seniors”
Annotated Code of Maryland
(2006 Volume)

BY adding to
Article – Tax – Property
Section 9–219.1
Annotated Code of Maryland
(2001 Replacement Volume and 2006 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

Article – Housing and Community Development

4–103.

The Division includes:

- (1) the Community Development Administration;
- (2) the Down Payment and Settlement Expense Loan Program;
- (3) the Elderly Rental Housing Program;
- (4) federal and State weatherization programs;
- (5) the Group Home Financing Program;
- (6) the Lead Hazard Reduction Grant Program;

- (7) the Lead Hazard Reduction Loan Program;
- (8) the local government infrastructure program;
- (9) the Maryland Home Financing Program;
- (10) the Maryland Housing Rehabilitation Program;
- (11) the Neighborhood Housing Services Fund;
- (12) the Operating Assistance Grants Demonstration Projects;
- (13) the Partnership Rental Housing Program;
- (14) the Radium Pilot Grant Program;
- (15) THE RENT STABILIZATION PROGRAM FOR SENIORS;**
- [(15)] **(16)** the Rental Allowance Program;
- [(16)] **(17)** the Rental Housing Production Program; and
- [(17)] **(18)** the Self-Help Homeownership Technical Assistance Program.

SUBTITLE 4A. RENT STABILIZATION PROGRAM FOR SENIORS.

~~4-4A-01.~~

(A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(B) (1) “AGGREGATE DISPOSABLE INCOME” MEANS THE SUM OF THE INCOME OF ALL MEMBERS OF A HOUSEHOLD RESIDING IN A RENTAL UNIT.

(2) “AGGREGATE DISPOSABLE INCOME” DOES NOT INCLUDE GIFTS OR INHERITANCES, INCREASES IN BENEFITS ACCORDED UNDER THE SOCIAL SECURITY ACT, OR A PUBLIC OR PRIVATE PENSION PAID TO A MEMBER OF THE HOUSEHOLD.

1 (C) **“BASE RENT” MEANS THE RENT IN EFFECT UNDER THE CURRENT**
2 **LEASE.**

3 (D) **“FUND” MEANS THE RENTAL HOUSING PROGRAM FUND.**

4 (E) (1) **“HOUSING SERVICES” MEANS ORDINARY REPAIRS AND**
5 **MAINTENANCE THAT ENSURE THE RENTAL UNIT IS HABITABLE.**

6 (2) **“HOUSING SERVICES” INCLUDES:**

7 (I) **PAINTING, PROVIDING LIGHT, HEAT, HOT AND COLD**
8 **WATER, ELEVATOR SERVICE, WINDOW SHADES AND SCREENS, STORAGE,**
9 **KITCHEN, BATH, AND LAUNDRY FACILITIES;**

10 (II) **JANITORIAL SERVICES, REFUSE REMOVAL,**
11 **FURNISHINGS, TELEPHONE, AND PARKING FACILITIES; AND**

12 (III) **ANY OTHER BENEFIT, PRIVILEGE, OR FACILITY**
13 **CONNECTED WITH THE USE OR OCCUPANCY OF A RENTAL UNIT, TO INCLUDE A**
14 **PROPORTIONATE PART OF SERVICES PROVIDED TO COMMON FACILITIES OF THE**
15 **BUILDING CONTAINING THE RENTAL UNIT.**

16 (F) **“LANDLORD” MEANS:**

17 (1) **AN OWNER OF RECORD, LESSOR, SUBLESSOR, OR OTHER**
18 **PERSON OR ENTITY ENTITLED TO RECEIVE RENT FOR THE USE OR OCCUPANCY**
19 **OF A RENTAL UNIT; OR**

20 (2) **AN AGENT, REPRESENTATIVE, OR SUCCESSOR OF A PERSON**
21 **OR ENTITY LISTED IN ITEM (1) OF THIS SUBSECTION.**

22 (G) **“PROGRAM” MEANS THE RENT STABILIZATION PROGRAM FOR**
23 **SENIORS.**

24 (H) **“PROPERTY” MEANS A PARCEL OF REAL PROPERTY THAT IS**
25 **ASSESSED AND TAXED AS AN UNDIVIDED WHOLE.**

1 (I) (1) **“RENT” MEANS THE CONSIDERATION RECEIVED IN**
2 **CONNECTION WITH THE USE OR OCCUPANCY OF RENTAL UNITS AND THE**
3 **PROVISION OF HOUSING SERVICES.**

4 (2) **“RENT” INCLUDES A DEPOSIT, BONUS, BENEFIT, SERVICE**
5 **RENDERED, GRATUITY DEMANDED OR GRATUITY RECEIVED IN CONNECTION**
6 **WITH THE USE OR OCCUPANCY OF RENTAL UNITS AND THE PROVISION OF**
7 **HOUSING SERVICES.**

8 (J) **“RENT ADJUSTMENT HEARING” MEANS A HEARING UNDER THIS**
9 **SUBTITLE TO DETERMINE WHETHER A LANDLORD OR TENANT SHOULD RECEIVE**
10 **AN INDIVIDUAL ADJUSTMENT OF THE RENT CEILING.**

11 (K) **“RENTAL UNIT” MEANS:**

12 (1) **A BUILDING, STRUCTURE, OR ROOM LOCATED WITHIN A**
13 **STRUCTURE FORMING A SINGLE HABITABLE UNIT, WITH FACILITIES THAT ARE**
14 **USED OR INTENDED TO BE USED FOR LIVING, SLEEPING, COOKING, AND EATING**
15 **PURPOSES, INCLUDING ATTACHED LAND; OR**

16 (2) (I) **OTHER REAL OR PERSONAL PROPERTY RENTED OR**
17 **OFFERED FOR RENT FOR RESIDENTIAL USE OR OCCUPANCY THAT IS LOCATED**
18 **IN THE STATE; AND**

19 (II) **ALL HOUSING SERVICES CONNECTED WITH USE OR**
20 **OCCUPANCY OF THAT PROPERTY, INCLUDING COMMON AREAS AND**
21 **RECREATIONAL FACILITIES.**

22 (L) **“RENT CEILING” MEANS THE MAXIMUM ALLOWABLE RENT THAT A**
23 **LANDLORD MAY CHARGE ON A RENTAL UNIT COVERED BY THIS SUBTITLE.**

24 (M) **“SENIOR” MEANS AN INDIVIDUAL WHO IS AT LEAST 62 YEARS OLD.**

25 (N) **“TENANT” MEANS:**

26 (1) **A RENTER, TENANT, SUBTENANT, LESSEE, OR SUBLESSEE OF A**
27 **RENTAL UNIT;**

28 (2) **A SUCCESSOR TO A RENTER’S INTEREST;**

1 (3) A GROUP OF TENANTS, SUBTENANTS, LESSEES, OR
2 SUBLESSEES OF A RENTAL UNIT; OR

3 (4) ANOTHER INDIVIDUAL ENTITLED TO THE USE OR OCCUPANCY
4 OF THE RENTAL UNIT.

5 **4-4A-02.**

6 (A) THIS SUBTITLE DOES NOT APPLY TO A RENTAL UNIT THAT IS
7 RENTED PRIMARILY TO A TRANSIENT GUEST FOR USE OR OCCUPANCY FOR
8 FEWER THAN 14 CONSECUTIVE DAYS IN AN ESTABLISHMENT INCLUDING
9 HOTELS, MOTELS, INNS, TOURIST HOMES, AND ROOMING AND BOARDING
10 HOUSES.

11 (B) THE PAYMENT OF RENT EVERY 14 DAYS OR LESS MAY NOT BY
12 ITSELF EXEMPT A RENTAL UNIT FROM COVERAGE UNDER THIS SUBTITLE.

13 **4-4A-03.**

14 **THERE IS A RENT STABILIZATION PROGRAM FOR SENIORS.**

15 **4-4A-04.**

16 **THE PURPOSES OF THE PROGRAM ARE TO:**

17 (1) GUARANTEE THAT THE RENTS OF LOW-INCOME SENIORS
18 REMAIN AT A CONSTANT, MANAGEABLE LEVEL;

19 (2) ENSURE THE SUPPLY OF DECENT, SAFE, AND SANITARY
20 RENTAL HOUSING AT COSTS THAT ARE AFFORDABLE TO LOW-INCOME SENIORS;
21 AND

22 (3) USE AVAILABLE RESOURCES TO SERVE SENIOR RENTERS IN
23 NEED.

24 **4-4A-05.**

25 **THE DEPARTMENT SHALL:**

1 **(1) ADMINISTER THE PROGRAM;**

2 **(2) ADOPT POLICIES TO ENSURE THAT RENTAL PROPERTY IS**
3 **MADE AVAILABLE TO LOW-INCOME SENIORS AND THEIR HOUSEHOLDS; AND**

4 **(3) USE FEDERAL AND STATE PROGRAMS TO HELP CARRY OUT**
5 **THE PROGRAM.**

6 **4-4A-06.**

7 **TO ACHIEVE THE PURPOSES OF THE FUND, THE DEPARTMENT MAY ASK**
8 **THE STATE TO INCREASE OR REPLACE AMOUNTS DEPOSITED WITH THE STATE**
9 **TREASURER IN THE FUND.**

10 **4-4A-07.**

11 **EXCEPT AS PROVIDED IN § 4-4A-08 OF THIS SUBTITLE, THE RENT**
12 **CEILING FOR A RENTAL UNIT MAY NOT EXCEED AN AMOUNT MORE THAN**
13 **ONE-THIRD OF THE TENANT'S AGGREGATE DISPOSABLE INCOME IF:**

14 **(1) THE SOLE TENANT OR THE HEAD OF THE HOUSEHOLD IS A**
15 **SENIOR;**

16 **(2) THE AGGREGATE DISPOSABLE INCOME OF ALL MEMBERS OF**
17 **THE HOUSEHOLD DOES NOT EXCEED \$25,000 AFTER DEDUCTION OF FEDERAL,**
18 **STATE, AND MUNICIPAL CORPORATION INCOME AND SOCIAL SECURITY TAXES;**

19 **(3) THE AGGREGATE DISPOSABLE INCOME FOR THE PAST INCOME**
20 **TAX YEAR OF ALL MEMBERS OF THE HOUSEHOLD RESIDING IN THE RENTAL**
21 **UNIT DOES NOT EXCEED THE MEDIAN STATE INCOME BASED ON INFORMATION**
22 **FROM THE MOST RECENT FEDERAL CENSUS; AND**

23 **(4) THE LANDLORD HAS NOT RECEIVED AN INDIVIDUAL UPWARD**
24 **ADJUSTMENT OF THE RENT CEILING.**

25 **4-4A-08.**

1 (A) THE DEPARTMENT MAY GRANT TO A LANDLORD A TEMPORARY
2 EXEMPTION FROM § 4-4A-07 OF THIS SUBTITLE IN ACCORDANCE WITH THIS
3 SECTION.

4 (B) (1) TO REQUEST AN EXEMPTION, A LANDLORD SHALL SUBMIT A
5 PETITION TO THE DEPARTMENT STATING THE REASONS WHY THE EXEMPTION
6 SHOULD BE GRANTED.

7 (2) THE DEPARTMENT SHALL INFORM ALL AFFECTED TENANTS
8 OF THE LANDLORD'S PETITION.

9 (3) ON REQUEST OF AN AFFECTED TENANT, THE DEPARTMENT
10 SHALL HOLD AN ADMINISTRATIVE HEARING TO DETERMINE THE FACTS OF THE
11 PETITION.

12 (C) A TEMPORARY EXEMPTION MAY BE GRANTED FOR NOT MORE THAN
13 2 YEARS IF THE DEPARTMENT DETERMINES THAT THE LANDLORD WOULD
14 OTHERWISE EXPERIENCE EXTREME FINANCIAL HARDSHIP BECAUSE OF
15 MORTGAGE OR FINANCIAL OBLIGATIONS RELATED TO THE PROPERTY:

16 (1) INCURRED ON OR BEFORE OCTOBER 1, 2007; OR

17 (2) NOT REASONABLY FORESEEABLE AT THE TIME THE
18 MORTGAGE WAS ACQUIRED OR THE FINANCIAL OBLIGATIONS INCURRED.

19 (D) A TEMPORARY EXEMPTION MAY BE RENEWED FOR AN ADDITIONAL
20 2-YEAR PERIOD.

21 4-4A-09.

22 A LANDLORD WHO PROVIDES HOUSING TO A SENIOR TENANT AND IS NOT
23 PERMITTED UNDER § 4-4A-07 OF THIS SUBTITLE TO IMPLEMENT ALL OR PART
24 OF AN INCREASE IN RENT CHARGED IS ELIGIBLE TO RECEIVE A TAX CREDIT FOR
25 EACH UNIT OCCUPIED BY AN ELDERLY TENANT UNDER § 9-219.1 OF THE
26 TAX - PROPERTY ARTICLE.

27 4-4A-10.

1 **(A) THE DEPARTMENT SHALL REQUIRE A LANDLORD SUBJECT TO THIS**
2 **SUBTITLE TO FILE WITH THE DEPARTMENT, ON OR BEFORE JANUARY 1, 2008, A**
3 **RENT REGISTRATION STATEMENT FOR EACH RENTAL UNIT COVERED BY THIS**
4 **SUBTITLE.**

5 **(B) IN THE RENT REGISTRATION STATEMENT, A LANDLORD SHALL**
6 **PROVIDE:**

7 **(1) THE ADDRESS OF EACH RENTAL UNIT;**

8 **(2) THE NAME AND ADDRESS OF THE LANDLORD AND MANAGING**
9 **AGENT, IF ANY;**

10 **(3) THE DATE ON WHICH THE LANDLORD RECEIVED LEGAL TITLE**
11 **TO OR EQUITABLE INTEREST IN THE RENTAL UNIT;**

12 **(4) THE HOUSING SERVICES PROVIDED FOR THE RENTAL UNIT;**

13 **(5) THE BASE RENT;**

14 **(6) THE MAXIMUM RENT ALLOWED UNDER § 4-4A-07 OF THIS**
15 **SUBTITLE; AND**

16 **(7) THE AMOUNT OF ALL DEPOSITS OR OTHER MONEYS IN**
17 **ADDITION TO PERIODIC RENT DEMANDED OR RECEIVED BY THE LANDLORD IN**
18 **CONNECTION WITH THE USE OR OCCUPANCY OF THE RENTAL UNIT.**

19 **(C) THE LANDLORD SHALL FILE A SUPPLEMENTAL RENT REGISTRATION**
20 **STATEMENT FOR EACH NEW SENIOR TENANT GAINED AFTER THE EFFECTIVE**
21 **DATE OF THIS SUBTITLE, THAT:**

22 **(1) SHALL PROVIDE THE SAME INFORMATION AS IN SUBSECTION**
23 **(B) OF THIS SECTION; AND**

24 **(2) MAY ALTER THE BASE RENT AND MAXIMUM RENT ALLOWED**
25 **UNDER § 4-4A-07 OF THIS SUBTITLE.**

26 **(D) A RENT REGISTRATION STATEMENT PROVIDED BY A LANDLORD IN**
27 **ACCORDANCE WITH THIS SUBTITLE SHALL INCLUDE AN AFFIDAVIT SIGNED BY**

1 THE LANDLORD DECLARING UNDER PENALTY OF PERJURY THAT THE
2 INFORMATION PROVIDED IN THE RENT REGISTRATION STATEMENT IS TRUE TO
3 THE BEST OF THE LANDLORD'S KNOWLEDGE, INFORMATION, AND BELIEF.

4 (E) (1) A LANDLORD SHALL PAY THE FIRST REGISTRATION FEE
5 ASSESSED UNDER THIS SECTION TO THE DEPARTMENT ON OR BEFORE
6 DECEMBER 1, 2008.

7 (2) SUBSEQUENT REGISTRATION FEES SET IN ACCORDANCE WITH
8 SUBSECTION (C) OF THIS SECTION SHALL BE PAID ON OR BEFORE JANUARY 1 OF
9 EACH YEAR.

10 (F) THE DEPARTMENT SHALL PROVIDE FORMS FOR THE REGISTRATION
11 INFORMATION REQUIRED BY THIS SECTION.

12 (G) (1) EVERY REGISTRATION FEE REQUIRED BY THIS SUBTITLE
13 SHALL BE DECLARED DELINQUENT IF THE FEE IS NOT PAID:

14 (I) ON OR BEFORE DECEMBER 1, 2008, FOR A LANDLORD
15 WITH A SENIOR TENANT ON OCTOBER 1, 2007; OR

16 (II) ON OR BEFORE JANUARY 1 OF THE SUBSEQUENT YEAR
17 WHEN A LANDLORD GAINS A NEW SENIOR TENANT.

18 (2) EVERY 6 MONTHS THAT THE FEE REMAINS DELINQUENT, THE
19 FEE SHALL BE INCREASED BY THE AMOUNT OF THE ORIGINAL FEE.

20 (3) THE DEPARTMENT MAY WAIVE THE INCREASE IN THE FEE IF
21 PAYMENT IS MADE WITHIN 30 DAYS AFTER THE ORIGINAL DUE DATE.

22 (4) A LANDLORD MAY REQUEST THE DEPARTMENT TO WAIVE ALL
23 OR PART OF THE PENALTY ON A SHOWING OF GOOD CAUSE FOR THE
24 DELINQUENT PAYMENT.

25 (H) WITHIN 30 DAYS AFTER THE FILING OF A RENT REGISTRATION
26 STATEMENT, THE DEPARTMENT SHALL PROVIDE A COPY OF THE STATEMENT TO
27 THE HEAD OF THE HOUSEHOLD OF THE RENTAL UNIT.

1 (I) (1) A LANDLORD SHALL REGISTER WITH THE DEPARTMENT A
2 RENTAL UNIT LEASED TO A SENIOR TENANT WITHIN 60 DAYS AFTER EXECUTION
3 OF THE LEASE.

4 (2) THE REGISTRATION FEE FOR FIRST TIME REGISTRATION
5 SHALL BE PRORATED BASED ON THE NUMBER OF MONTHS REMAINING TO THE
6 NEXT REGISTRATION DEADLINE.

7 (J) (1) A LANDLORD IS NOT IN COMPLIANCE WITH THIS SECTION
8 WITH RESPECT TO A GIVEN RENTAL UNIT UNTIL THE LANDLORD COMPLETES
9 REGISTRATION OF ALL COVERED UNITS IN THE SAME PROPERTY.

10 (2) A LANDLORD SHALL COMPLETE REGISTRATION WHEN THE
11 LANDLORD PROVIDES ALL REQUIRED INFORMATION AND PAYS ALL
12 OUTSTANDING FEES.

13 (K) A LANDLORD MAY NOT:

14 (1) PASS ALONG A REGISTRATION FEE TO A TENANT WITHOUT
15 THE PRIOR EXPRESS APPROVAL OF THE DEPARTMENT; OR

16 (2) PASS ALONG A PENALTY TO A TENANT UNDER ANY
17 CIRCUMSTANCES.

18 ~~4-4A-11.~~

19 (A) TO RECEIVE AN ADJUSTMENT OF THE RENT CEILING OF INDIVIDUAL
20 RENTAL UNITS, A LANDLORD OR TENANT SHALL SUBMIT A PETITION FOR AN
21 INDIVIDUAL RENT CEILING ADJUSTMENT HEARING TO THE DEPARTMENT.

22 (B) THE PETITION SHALL BE ON A FORM THAT THE DEPARTMENT
23 PROVIDES.

24 (C) THE DEPARTMENT MAY SET A REASONABLE PER-UNIT FEE BASED
25 ON THE EXPENSES OF PROCESSING THE PETITION, TO BE PAID BY THE
26 PETITIONER AT THE TIME OF FILING.

27 (D) THE DEPARTMENT SHALL:

1 (1) NOTIFY THE NONFILING PARTY OF THE RECEIPT OF A
2 PETITION FOR ADJUSTMENT OF RENT; AND

3 (2) PROVIDE A COPY OF THE PETITION TO THE NONFILING PARTY.

4 (E) UNLESS THERE IS A SHOWING OF GOOD CAUSE AGAINST
5 CONSOLIDATION:

6 (1) ALL PETITIONS FILED BY LANDLORDS PERTAINING TO
7 TENANTS IN THE SAME BUILDING SHALL BE CONSOLIDATED; AND

8 (2) ALL PETITIONS FILED BY TENANTS OCCUPYING THE SAME
9 BUILDING SHALL BE CONSOLIDATED.

10 (F) ALL PARTIES TO A HEARING SHALL BE SENT NOTICE OF THE TIME,
11 DATE, AND PLACE OF THE HEARING.

12 (G) NOTWITHSTANDING ANY OTHER PROVISION OF THIS SUBTITLE, THE
13 DEPARTMENT MAY REFUSE TO HOLD A HEARING OR GRANT AN INDIVIDUAL
14 RENT CEILING ADJUSTMENT FOR A RENTAL UNIT IF AN INDIVIDUAL RENT
15 CEILING ADJUSTMENT HEARING HAS BEEN HELD AND A FINAL DECISION
16 RENDERED WITHIN THE PREVIOUS 6 MONTHS.

17 (H) A PETITION UNDER THIS SECTION MAY NOT BE FILED ON OR
18 BEFORE JANUARY 1, 2008.

19 **4-4A-12.**

20 (A) (1) THE DEPARTMENT MAY REQUIRE A PARTY TO AN INDIVIDUAL
21 RENT CEILING ADJUSTMENT HEARING TO PROVIDE PERTINENT BOOKS,
22 RECORDS, AND PAPERS IN ADDITION TO THAT INFORMATION CONTAINED IN THE
23 REGISTRATION STATEMENT.

24 (2) ALL DOCUMENTS REQUIRED UNDER THIS SECTION SHALL BE
25 MADE AVAILABLE TO THE PARTIES INVOLVED BEFORE THE HEARING.

26 (3) IF INFORMATION FILED IN A PETITION OR IN ADDITIONAL
27 SUBMISSIONS IS INADEQUATE OR FALSE, ACTION MAY NOT BE TAKEN ON THAT
28 PETITION UNTIL ACCURATE INFORMATION IS PROVIDED.

1 (4) THE DEPARTMENT SHALL CONDUCT A BUILDING INSPECTION
2 IF THE DEPARTMENT FINDS GOOD CAUSE TO BELIEVE THAT THE
3 DEPARTMENT'S CURRENT INFORMATION DOES NOT MATCH THE CURRENT
4 CONDITION OF THE CONTROLLED RENTAL UNIT.

5 (5) THE TENANT MAY REQUEST THE DEPARTMENT TO ORDER AN
6 INSPECTION BEFORE THE DATE OF THE HEARING.

7 (B) THE DEPARTMENT MAY ADMINISTER OATHS AND AFFIRMATIONS
8 FOR THE HEARING.

9 (C) AN INDIVIDUAL RENT CEILING ADJUSTMENT HEARING IS OPEN TO
10 THE PUBLIC.

11 4-4A-13.

12 (A) THE DEPARTMENT SHALL MAKE AN OFFICIAL RECORD OF THE
13 HEARING THAT SHALL BE THE EXCLUSIVE RECORD FOR DECISION ON THE
14 ISSUES AT THE HEARING.

15 (B) THE RECORD SHALL BE AVAILABLE FOR PUBLIC INSPECTION AND
16 COPYING DURING REASONABLE BUSINESS HOURS.

17 (C) THE RECORD OF THE HEARING SHALL INCLUDE:

18 (1) ALL EXHIBITS, PAPERS, AND DOCUMENTS REQUIRED TO BE
19 FILED OR ACCEPTED INTO EVIDENCE DURING THE PROCEEDINGS;

20 (2) A LIST OF PARTICIPANTS PRESENT;

21 (3) A SUMMARY OF ALL TESTIMONY ACCEPTED IN THE
22 PROCEEDING;

23 (4) A STATEMENT OF ALL MATERIALS OFFICIALLY NOTICED; AND

24 (5) ALL RECOMMENDED DECISIONS, ORDERS, OR RULINGS;

25 (6) ALL FINAL DECISIONS, ORDERS, OR RULINGS; AND

1 **(7) THE REASON FOR EACH FINAL DECISION, ORDER, OR RULING.**

2 **(D) THE PARTIES SHALL BE GIVEN NOTICE OF THE DECISION AND A**
3 **COPY OF THE FINDINGS OF FACT AND LAW THAT THE DECISION IS BASED ON,**
4 **INCLUDING NOTICE OF THEIR RIGHT TO SEEK JUDICIAL REVIEW OF THE**
5 **DECISION.**

6 **4-4A-14.**

7 **(A) IN DECIDING WHETHER TO GRANT AN INDIVIDUAL ADJUSTMENT OF**
8 **RENT, THE DEPARTMENT SHALL CONSIDER:**

9 **(1) THE MEDIAN INCOME FOR THE AREA;**

10 **(2) THE MINIMUM INCOME NEEDED TO AFFORD AVAILABLE**
11 **STANDARD RENTAL UNITS IN THE AREA; AND**

12 **(3) ANY OTHER FACTOR THE DEPARTMENT CONSIDERS**
13 **RELEVANT.**

14 **(B) (1) AN INDIVIDUAL ADJUSTMENT OF RENT MAY NOT BE GRANTED**
15 **IF:**

16 **(I) THE ADJUSTMENT IS NOT SUPPORTED BY THE**
17 **PREPONDERANCE OF THE EVIDENCE SUBMITTED AT A RENT ADJUSTMENT**
18 **HEARING;**

19 **(II) THE LANDLORD COULD REASONABLY HAVE FORESEEN**
20 **AT THE TIME OF REFINANCING THAT INCREASED EXPENSES COULD NOT BE**
21 **COVERED BY THE RENT SCHEDULE THEN IN EXISTENCE BECAUSE OF:**

22 **1. INCREASED INTEREST;**

23 **2. OTHER EXPENSES IF THE UPWARD ADJUSTMENT**
24 **RESULTS FROM THE LANDLORD'S REFINANCING OF THE RENTAL UNIT, UNLESS**
25 **THAT REFINANCING IS NECESSARY FOR THE LANDLORD TO MAKE CAPITAL**
26 **IMPROVEMENTS; OR**

1 **3. EXPENSES RESULTING FROM THE SALE OF THE**
2 **PROPERTY, EXCEPT FOR CASES OF INDIVIDUAL HARDSHIP.**

3 **(2) THE DEPARTMENT MAY NOT AUTHORIZE AN UPWARD**
4 **ADJUSTMENT OF AN INDIVIDUAL RENT CEILING IF THE LANDLORD FAILS TO:**

5 **(I) COMPLY, AFTER ORDER OF THE DEPARTMENT, WITH**
6 **THIS SUBTITLE OR ORDERS THAT THE DEPARTMENT ISSUES OR REGULATIONS**
7 **THAT THE DEPARTMENT ADOPTS; OR**

8 **(II) BRING THE RENTAL UNIT INTO COMPLIANCE WITH THE**
9 **IMPLIED WARRANTY OF HABITABILITY.**

10 **4-4A-15.**

11 **(A) THE DEPARTMENT SHALL RENDER A FINAL DECISION ON AN**
12 **INDIVIDUAL RENT CEILING ADJUSTMENT PETITION WITHIN 120 DAYS**
13 **FOLLOWING THE DATE OF FILING OF THE INDIVIDUAL RENT CEILING**
14 **ADJUSTMENT PETITION, UNLESS THE CONDUCT OF THE PETITIONER OR OTHER**
15 **GOOD CAUSE IS RESPONSIBLE FOR THE DELAY.**

16 **(B) ALLOWABLE RENT INCREASES UNDER AN INDIVIDUAL UPWARD**
17 **ADJUSTMENT OF THE RENT CEILING SHALL BECOME EFFECTIVE 30 DAYS AFTER**
18 **THE DAY ON WHICH THE LANDLORD GIVES THE TENANT WRITTEN NOTICE OF**
19 **THE RENT INCREASE.**

20 **(C) A DOWNWARD INDIVIDUAL ADJUSTMENT OF THE RENT CEILING**
21 **THAT THE DEPARTMENT MAKES SHALL TAKE EFFECT WITHIN 30 DAYS AFTER**
22 **THE EFFECTIVE DATE SET BY THE DEPARTMENT FOR THE DOWNWARD**
23 **ADJUSTMENT.**

24 **4-4A-16.**

25 **(A) A PERSON AGGRIEVED BY THE FINAL DECISION OF THE**
26 **DEPARTMENT ON PETITION FOR INDIVIDUAL RENT CEILING ADJUSTMENT MAY**
27 **SEEK JUDICIAL REVIEW OF THE DECISION IN ACCORDANCE WITH TITLE 10,**
28 **SUBTITLE 2 OF THE STATE GOVERNMENT ARTICLE (ADMINISTRATIVE**
29 **PROCEDURE ACT – CONTESTED CASES) AND THE MARYLAND RULES WITHIN 30**
30 **DAYS AFTER THE RENDERING OF THE DECISION.**

1 **(B) THE REVIEW SHALL BE LIMITED SOLELY TO ERRORS OF LAW AND**
2 **QUESTIONS OF CONSTITUTIONALITY.**

3 **(C) THE DECISION OF THE DEPARTMENT ON AN INDIVIDUAL RENT**
4 **ADJUSTMENT PETITION IN A CASE ON APPEAL SHALL BE STAYED PENDING A**
5 **DECISION OF THE COURT.**

6 **4-4A-17.**

7 **(A) IF THE SECRETARY OF HOUSING AND COMMUNITY DEVELOPMENT**
8 **DETERMINES THAT THERE ARE REASONABLE GROUNDS TO BELIEVE THERE HAS**
9 **BEEN A VIOLATION OF THIS SUBTITLE, THE SECRETARY SHALL GIVE NOTICE OF**
10 **THE ALLEGED VIOLATION TO THE PERSON RESPONSIBLE.**

11 **(B) THE NOTICE SHALL:**

12 **(1) BE IN WRITING;**

13 **(2) INCLUDE A STATEMENT OF THE REASONS WHY IT IS BEING**
14 **ISSUED;**

15 **(3) STATE A REASONABLE TIME FOR THE PERFORMANCE OF AN**
16 **ACT IT REQUIRES;**

17 **(4) BE SERVED ON THE LANDLORD; AND**

18 **(5) CONTAIN:**

19 **(I) AN OUTLINE OF REMEDIAL ACTION TO BE TAKEN TO**
20 **EFFECT COMPLIANCE WITH THIS SUBTITLE; AND**

21 **(II) A STATEMENT ADVISING THE RECIPIENT THAT:**

22 **1. THE VIOLATION MUST BE CORRECTED WITHIN 30**
23 **DAYS AFTER THE DAY ON WHICH NOTICE IS SERVED;**

1 **2. IF THE RECIPIENT FAILS TO CORRECT THE**
2 **VIOLATION WITHIN THE 30-DAY PERIOD, A NONCOMPLIANCE CHARGE SHALL BE**
3 **IMPOSED BY THE DEPARTMENT; AND**

4 **3. FOR EACH SUCCESSIVE 30-DAY PERIOD THAT THE**
5 **RECIPIENT DOES NOT SEEK A HEARING OR CORRECT THE VIOLATION, AN**
6 **ADDITIONAL CITATION WILL BE DELIVERED ADVISING THE RECIPIENT OF AN**
7 **ADDITIONAL NONCOMPLIANCE CHARGE.**

8 **(C) THE DEPARTMENT MAY SEEK INJUNCTIVE RELIEF TO SECURE**
9 **COMPLIANCE WITH THIS SECTION.**

10 **4-4A-18.**

11 **(A) A PERSON AGGRIEVED BY A NOTICE OR ORDER ISSUED IN**
12 **CONNECTION WITH THE ENFORCEMENT OF THIS SUBTITLE MAY FILE A NOTICE**
13 **OF APPEAL WITH THE DEPARTMENT REQUESTING A HEARING.**

14 **(B) THE NOTICE OF APPEAL SHALL INCLUDE A BRIEF STATEMENT OF**
15 **THE BASIS FOR THE APPEAL.**

16 **(C) THE NOTICE OF APPEAL SHALL BE SIGNED AND IN WRITING.**

17 **(D) ON RECEIPT OF A NOTICE OF APPEAL, THE DEPARTMENT SHALL**
18 **SET A TIME AND PLACE FOR THE HEARING AND NOTIFY THE APPLICANT.**

19 **(E) (1) AFTER THE HEARING, THE DEPARTMENT MAY AFFIRM,**
20 **AMEND, MODIFY, OR WITHDRAW THE NOTICE OR ORDER.**

21 **(2) THE DECISION OF THE DEPARTMENT SHALL CONSTITUTE AN**
22 **ORDER.**

23 **(3) THE DEPARTMENT MAY ASSESS A CIVIL PENALTY AGAINST A**
24 **PERSON WHO FAILS, REFUSES, OR NEGLECTS TO COMPLY WITH THE ORDER.**

25 **4-4A-19.**

1 **AN AGREEMENT, WHETHER ORAL, WRITTEN, OR IMPLIED, BETWEEN A**
2 **LANDLORD AND A TENANT THAT PURPORTS TO WAIVE OR MODIFY A PROVISION**
3 **OF THIS SUBTITLE IS CONTRARY TO PUBLIC POLICY AND IS VOID.**

4 **4-4A-20.**

5 **THE DEPARTMENT SHALL ADOPT REGULATIONS TO CARRY OUT THIS**
6 **SUBTITLE.**

7 **4-504.**

8 (a) In this section, "Fund" means the Rental Housing Programs Fund.

9 (b) There is a Rental Housing Programs Fund.

10 (c) (1) The Department shall use the Fund to:

11 (i) operate, make loans, and pay expenses of the Maryland
12 Housing Rehabilitation Program, including reserves for anticipated future losses
13 directly related to the Maryland Housing Rehabilitation Program, as provided in the
14 State budget; [and]

15 (ii) operate, make loans, and pay expenses of the Rental
16 Housing Production Program; **AND**

17 **(III) OPERATE, MAKE LOANS, AND PAY EXPENSES OF THE**
18 **RENT STABILIZATION PROGRAM FOR SENIORS.**

19 (2) The Administration shall use the Fund to operate, make loans, and
20 pay expenses of the Elderly Rental Housing Program.

21 (3) (i) The Administration may use the Fund to make deferred
22 payment loans to approved applicants to enable the applicants to acquire, construct, or
23 rehabilitate elderly rental housing projects or to convert existing rental housing to
24 elderly rental housing projects.

25 (ii) Deferred payment loans may be subordinate to other
26 financing.

27 (d) The Administration shall administer the Fund.

28 (e) (1) The Fund consists of:

(i) money appropriated by the State for rental housing programs, including the Elderly Rental Housing Program under § 4-402 of this title, the Multifamily Rehabilitation Program under § 4-906(b) of this title, the Nonprofit Rehabilitation Program under § 4-929 of this title, and the Rental Housing Production Program under § 4-1502 of this title;

(ii) repayments and prepayments of loans made under the programs set forth in item (i) of this paragraph;

(iii) money appropriated under § 4-501(c) of this subtitle;

(iv) money transferred to the Fund in accordance with §§ 4-502(e), 4-503(d), and 4-505(h) of this subtitle and § 6-310(g) of this article; and

(v) investment earnings of the Fund.

(2) The State, under § 4-501(c) of this subtitle, may appropriate to the Fund money received as repayment of principal or payment of interest on a loan made by the Maryland Housing Rehabilitation Program.

(f) (1) When the Department issues a binding commitment to make a loan, the Department shall withdraw from the Fund an amount equal to the commitment.

(2) Subject to § 7-209 of the State Finance and Procurement Article and except as otherwise provided in the State budget, after the first 8 months of a fiscal year the Department may transfer unencumbered money in the Fund to any other fund established under this title.

Article – Tax – Property

9-219.1.

(A) THE MAYOR AND CITY COUNCIL OF BALTIMORE CITY OR THE GOVERNING BODY OF A COUNTY OR OF A MUNICIPAL CORPORATION MAY GRANT, BY LAW, A PROPERTY TAX CREDIT AGAINST THE COUNTY OR MUNICIPAL CORPORATION PROPERTY TAX IMPOSED ON RENTAL DWELLINGS OF LANDLORDS WHO ARE SUBJECT TO THE PROVISIONS OF TITLE 4, SUBTITLE 4A OF THE HOUSING AND COMMUNITY DEVELOPMENT ARTICLE FOR A TENANT WHO IS AT LEAST 62 YEARS OLD.

1 **(B) THE COUNTY OR MUNICIPAL CORPORATION MAY PROVIDE, BY LAW,**
2 **FOR:**

3 **(1) THE SPECIFIC REQUIREMENTS FOR ELIGIBILITY FOR A TAX**
4 **CREDIT AUTHORIZED UNDER THIS SECTION;**

5 **(2) ADDITIONAL LIMITATIONS ON ELIGIBILITY FOR THE CREDIT;**

6 **(3) THE AMOUNT AND DURATION OF THE CREDIT; AND**

7 **(4) ANY OTHER PROVISION APPROPRIATE TO IMPLEMENT THE**
8 **CREDIT.**

9 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
10 October 1, 2007.