

Department of Legislative Services  
Maryland General Assembly  
2009 Session

FISCAL AND POLICY NOTE

House Bill 1239 (Delegate Malone)  
Environmental Matters

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**Landlord and Tenant - Rent Control - Local Government Authority**

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This bill prohibits a county, municipal corporation, or political subdivision of the State from enacting residential or commercial rent control laws, ordinances, or regulations. The bill does not impair the rights of a local government to manage and control residential property in which the local government has an interest.

The bill applies prospectively and has no effect on a local government's ability to amend or enforce a current law, ordinance, or regulation designed to control rental rates for private residential or commercial property.

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**Fiscal Summary**

**State Effect:** If the Consumer Protection Division of the Office of the Attorney General receives fewer than 50 complaints per year stemming from the bill, the additional workload can be handled with existing resources.

**Local Effect:** No effect on local revenues or expenditures to the extent local governments can amend, regulate, and enforce current rent control programs.

**Small Business Effect:** Potential minimal.

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**Analysis**

**Current Law/Background:** College Park and Takoma Park are the only two incorporated municipalities in the State with rent stabilization programs. Takoma Park's law, in effect since 1980, subjects all landlords owning two or more rental units to annual percentage guidelines for rent increases. Takoma Park's rent stabilization allowance is

established on an annual basis, and is calculated using 70% of the Consumer Price Index (CPI). Effective July 1, 2008 through June 30, 2009, residential landlords in Takoma Park cannot increase the rent on occupied units more than 4.7% per year. Owner-occupied group homes, accessory apartments, landlords owning one rental unit in Takoma Park, and properties used for treatment of illnesses are exempt from local rent stabilization laws.

The City of College Park's Housing Plan, approved in June 2003, establishes a rent ceiling for residential property. The rent ceiling prohibits a landlord from charging a monthly rent that exceeds the fair market rent level established by the Department of Housing and Urban Development for the Washington Metropolitan Statistical Area for a four-bedroom unit; or 1% of the property's assessed value for property taxes in a given year, whichever is greater. College Park's rent stabilization allowance is effective July 1 of each year and is based on 100% of CPI, or 1% of the property's assessed value for property taxes.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** City of College Park, Howard and Montgomery counties, Office of the Attorney General (Consumer Protection Division), Judiciary (Administrative Office of the Courts), Department of Legislative Services

**Fiscal Note History:** First Reader - March 11, 2009  
ncs/kdm

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