

Department of Legislative Services
Maryland General Assembly
2013 Session

FISCAL AND POLICY NOTE

Senate Bill 625 (Senator Ramirez, *et al.*)
Education, Health, and Environmental Affairs

Real Property - Dwellings Rented to Individuals at Least 55 Years Old - Air-Conditioning Systems

This bill requires a residential dwelling structure undergoing construction or improvement, as specified, to be equipped with a properly functioning air-conditioning system capable of maintaining 78 degrees Fahrenheit throughout each individual unit. The requirement applies to a structure if (1) it is offered for rent only to occupants age 55 and older; (2) it is composed of at least five individual dwelling units; and (3) the construction or improvement involves the addition or alteration of any heating, ventilation, or air-conditioning system wholly or partially funded by the State. The air-conditioning system must be in compliance with the American Society of Heating, Refrigerating, and Air-Conditioning Engineers (ASHRAE) code, National Fire Protection Association (NFPA) code, and all State and local codes.

The bill applies only to those structures constructed or improved with funding, in whole or part, received from the State for which contracts are entered into and State funding is received on or after October 1, 2013.

Fiscal Summary

State Effect: The bill does not materially affect State governmental finances or operations.

Local Effect: None.

Small Business Effect: Minimal overall but potential meaningful for any landlords of such structures funded with State monies in the future, which only rent to individuals age 55 and older.

Analysis

Current Law: No State laws specifically require the installation of an air-conditioning system in a private residential structure. State law does establish, however, minimum livability requirements for residential dwellings and requires the Department of Housing and Community Development (DHCD) to adopt a “minimum livability code.” The code applies to residential structures located in the State used for human habitation except (1) owner-occupied single-family housing units; (2) housing located in a political subdivision that has adopted a substantially similar local housing code; or (3) specified housing exempted by DHCD. With regard to property standards, the code incorporates the 2012 International Property Maintenance Code (IPMC).

IPMC sets requirements for the conditions and maintenance of property, buildings, and structures that are essential to ensure that structures are safe, sanitary, and fit for human occupation and use. IPMC does not require the installation and maintenance of an air-conditioning system in rental property. It does specify, however, that every owner and operator of a building who rents or leases one or more dwelling or sleeping units must furnish sufficient heat to occupants to maintain a temperature of at least 65 degrees Fahrenheit in all habitable rooms, bathrooms, and toilet rooms.

Background: ASHRAE is a technical society in the fields of heating, ventilation, air conditioning, and refrigeration. It has approximately 50,000 volunteer members worldwide, including consulting engineers, contractors, manufacturers, manufacturing representatives, and architects. NFPA has more than 70,000 members and annually promulgates standards and codes in order to minimize the risk and effects of fires.

Small Business Effect: To the extent that a small business landlord or property management company improves an existing residential structure affected by the bill, it may either have to install the required air-conditioning system or eliminate the age-related rental eligibility requirement. It is likely that any State-funded construction of a residential structure for senior citizens will fall under the purview of the bill because IPMC requires landlords to provide a sufficient amount of heat. Thus, the requirement for the installation of an air-conditioning system in newly constructed residential structures may act as a barrier to entry for some small businesses. Installation of an air-conditioning system can be costly. For example, the addition of a central air-conditioning system for a 2,000-square-foot home costs \$3,500 to \$4,000. However, any cost attributed to installing an air-conditioning unit in either an existing or newly constructed residential dwelling structure will most likely be passed on to a tenant, to the extent that the construction or improvement is not funded partially or wholly by the State. A similar requirement for air-conditioning systems applies to comprehensive care and extended care facilities under the jurisdiction of the Department of Health and Mental Hygiene.

Additional Information

Prior Introductions: An identical bill, SB 962 of 2012, received an unfavorable report from the Senate Education, Health, and Environmental Affairs Committee. A similar bill, SB 469 of 2011, as amended, passed the Senate but received no further action after being referred to the House Environmental Matters Committee.

Cross File: None.

Information Source(s): Office of the Attorney General (Consumer Protection Division), Department of Housing and Community Development, Judiciary (Administrative Office of the Courts), Maryland Department of Aging, American Society of Heating, Refrigerating, and Air-Conditioning Engineers, National Fire Protection Association, www.thisoldhouse.com, Department of Legislative Services

Fiscal Note History: First Reader - February 17, 2013
ncs/kdm

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