

HOUSE BILL 790

N1, L6

4lr2077
CF SB 595

By: **Delegates Holmes, Beidle, Frush, Hogan, McMillan, Norman, Stein, Vitale,
and Wilson**

Introduced and read first time: February 3, 2014

Assigned to: Rules and Executive Nominations

A BILL ENTITLED

1 AN ACT concerning

2 **Local Government – Restrictions on Income–Producing Real Property –**
3 **Fiscal Impact Review**

4 FOR the purpose of requiring the governing body of a county or municipal corporation
5 to provide a copy of rent–control legislation to the Department of Legislative
6 Services prior to enacting the legislation; requiring the Department to prepare a
7 fiscal note and economic impact analysis for the legislation within a certain
8 period; requiring that a copy of the fiscal note and economic impact analysis be
9 provided to certain persons; providing that this Act does not apply to certain
10 rent–controlled properties; providing for the application of this Act; defining a
11 certain term; and generally relating to the adoption of rent–control legislation
12 by a county or municipal corporation.

13 BY adding to
14 Article – Local Government
15 Section 1–1312
16 Annotated Code of Maryland
17 (2013 Volume)

18 Preamble

19 WHEREAS, The State of Maryland has an important interest in monitoring
20 actions that may negatively impact its revenues; and

21 WHEREAS, Local rent–control laws cause a loss of State and local property tax
22 revenues and tax burden shifts and can negatively impact income and transfer taxes;
23 and

24 WHEREAS, By suppressing the assessable tax base and new construction, local
25 rent–control laws can alter funding under State aid formulas; and

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 WHEREAS, It is beneficial for the State and local governments to have a clear
2 understanding of the fiscal and economic impact of rent-control laws before they are
3 enacted; now, therefore,

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

6 **Article – Local Government**

7 **1-1312.**

8 (A) IN THIS SECTION, “RENT CONTROL” MEANS GOVERNMENT CONTROL
9 AND REGULATION OF THE AMOUNT OF RENT CHARGED FOR LEASING PRIVATE
10 PROPERTY.

11 (B) THIS SECTION DOES NOT APPLY TO RENT CONTROL THAT:

12 (1) APPLIES ONLY TO PROPERTY OWNED BY A HOUSING
13 AUTHORITY, A COUNTY, A MUNICIPAL CORPORATION, OR THE STATE; OR

14 (2) IS A CONDITION OF PARTICIPATION IN A
15 GOVERNMENT-SPONSORED AFFORDABLE HOUSING PROGRAM IN WHICH THE
16 OWNER OF THE PROPERTY VOLUNTARILY ACCEPTS THE RENT CONTROL IN
17 ORDER TO RECEIVE A MATERIAL BENEFIT FROM THE GOVERNMENT.

18 (C) BEFORE ENACTING LEGISLATION THAT WOULD IMPOSE RENT
19 CONTROL, THE GOVERNING BODY OF A COUNTY OR MUNICIPAL CORPORATION
20 SHALL PROVIDE A COPY OF THE LEGISLATION TO THE DEPARTMENT OF
21 LEGISLATIVE SERVICES.

22 (D) WITHIN 30 DAYS OF RECEIVING RENT-CONTROL LEGISLATION
23 UNDER SUBSECTION (C) OF THIS SECTION, THE DEPARTMENT OF LEGISLATIVE
24 SERVICES SHALL PREPARE:

25 (1) A FISCAL NOTE ANALYZING THE IMPACT OF THE BILL ON THE
26 REVENUES AND EXPENDITURES OF THE STATE GOVERNMENT AND OF LOCAL
27 GOVERNMENTS; AND

28 (2) AN ECONOMIC IMPACT ANALYSIS.

29 (E) THE DEPARTMENT OF LEGISLATIVE SERVICES SHALL PROVIDE A
30 COPY OF THE FISCAL NOTE AND ECONOMIC ANALYSIS PREPARED UNDER
31 SUBSECTION (D) OF THIS SECTION TO:

1 **(1) THE GOVERNING BODY OF THE COUNTY OR MUNICIPAL**
2 **CORPORATION THAT PROPOSED THE LEGISLATION;**

3 **(2) THE CHAIRS OF THE SENATE BUDGET AND TAXATION AND**
4 **HOUSE WAYS AND MEANS COMMITTEES; AND**

5 **(3) THE DIRECTOR OF THE BUREAU OF REVENUE ESTIMATES.**

6 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall be
7 construed to only apply prospectively and may not be applied or interpreted to have
8 any effect on or application to any law enacted before the effective date of this Act.

9 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
10 June 1, 2014.