

# SENATE BILL 904

N1

4lr2608

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By: **Senator Ramirez**

Introduced and read first time: January 31, 2014

Assigned to: Judicial Proceedings

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## A BILL ENTITLED

1 AN ACT concerning

2 **Residential Leases – Rental Fees – Landlord and Tenant Relations**  
3 **(Maryland Rental Housing Stabilization Act)**

4 FOR the purpose of requiring a certain landlord to use a written lease beginning on a  
5 certain date; establishing the Maryland Rental Housing Authority as an  
6 independent unit in the Executive Branch; requiring the Authority to perform  
7 certain duties; providing for the composition of the Authority; providing for the  
8 qualifications, appointment, terms of service, compensation, and removal of  
9 commissioners of the Authority; establishing the Office of the Tenant Advocate  
10 as an independent unit in the Executive Branch; requiring the Office to perform  
11 certain duties; providing for the qualifications, appointment, term of service,  
12 compensation, and removal of the Tenant Advocate; requiring a landlord to  
13 register certain residential units with the Authority; requiring a landlord to  
14 submit certain leases to the Authority; prohibiting a landlord from bringing a  
15 certain action to enforce a provision of a lease not registered in accordance with  
16 this Act; providing for the calculation of the initial base rent of certain  
17 residential units; prohibiting a landlord from increasing a certain rental fee  
18 except as authorized by this Act; requiring the Authority to regulate certain  
19 rental fee increases in a certain manner; providing for certain capital  
20 improvement surcharges on rental fee increases; providing for the recalculation  
21 of certain base rents, under certain circumstances; providing a certain relief for  
22 a tenant if a landlord increases a rental fee beyond certain limitations;  
23 providing certain relief for a landlord if certain regulations or provisions of this  
24 Act would cause the landlord undue hardship; exempting certain properties  
25 from certain provisions of this Act; prohibiting a certain landlord from evicting a  
26 tenant in the absence of just cause under certain circumstances; establishing a  
27 certain penalty if a landlord violates any provision of this Act; establishing the  
28 Task Force on the Establishment of Regional Housing Boards; providing for the  
29 composition, chair, and staffing of the Task Force; prohibiting a member of the  
30 Task Force from receiving certain compensation, but authorizing the  
31 reimbursement of certain expenses; requiring the Task Force to study and make

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 recommendations regarding certain matters; requiring the Task Force to report  
2 its findings and recommendations to the Governor and the General Assembly on  
3 or before a certain date; specifying the terms of the initial commissioners of the  
4 Authority; providing for the termination of certain provisions of this Act;  
5 defining certain terms; and generally relating to residential leases and  
6 landlord–tenant relations.

7 BY adding to

8 Article – Real Property

9 New part designation “Part I. General Provisions” to immediately precede  
10 Section 8–201; and 8–219 through 8–228 to be under the new part “Part  
11 II. Maryland Rental Housing Stabilization Act”

12 Annotated Code of Maryland

13 (2010 Replacement Volume and 2013 Supplement)

14 BY repealing and reenacting, without amendments,

15 Article – Real Property

16 Section 8–201

17 Annotated Code of Maryland

18 (2010 Replacement Volume and 2013 Supplement)

19 BY repealing and reenacting, with amendments,

20 Article – Real Property

21 Section 8–208(a)

22 Annotated Code of Maryland

23 (2010 Replacement Volume and 2013 Supplement)

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

26 **Article – Real Property**

27 **PART I. GENERAL PROVISIONS.**

28 8–201.

29 (a) This subtitle is applicable only to residential leases unless otherwise  
30 provided.

31 (b) This subtitle does not apply to a tenancy arising after the sale of  
32 owner–occupied residential property where the seller and purchaser agree that the  
33 seller may remain in possession of the property for a period of not more than 60 days  
34 after the settlement.

35 8–208.

1 (a) (1) [On or after October 1, 1999, any landlord who offers 5 or more  
2 dwelling units for rent in the State may not rent a residential dwelling unit without  
3 using a written lease] **BEGINNING OCTOBER 1, 2014, A LANDLORD WHO OFFERS**  
4 **ANY RESIDENTIAL DWELLING UNIT FOR RENT IN THE STATE MAY NOT RENT THE**  
5 **RESIDENTIAL DWELLING UNIT WITHOUT USING A WRITTEN LEASE.**

6 (2) If a landlord fails to comply with paragraph (1) of this subsection,  
7 the term of the tenancy is presumed to be 1 year from the date of the tenant's first  
8 occupancy unless the tenant elects to end the tenancy at an earlier date by giving 1  
9 month's written notice.

10 **8-217. RESERVED.**

11 **8-218. RESERVED.**

12 **PART II. MARYLAND RENTAL HOUSING STABILIZATION ACT.**

13 **8-219.**

14 (A) IN THIS PART THE FOLLOWING WORDS HAVE THE MEANINGS  
15 INDICATED.

16 (B) "AUTHORITY" MEANS THE MARYLAND RENTAL HOUSING  
17 AUTHORITY.

18 (C) "COMMISSIONER" MEANS A COMMISSIONER OF THE MARYLAND  
19 RENTAL HOUSING AUTHORITY.

20 (D) "COST BASIS" MEANS THE ORIGINAL COST OF PROPERTY TO A  
21 LANDLORD, ADJUSTED FOR FACTORS SUCH AS DEPRECIATION.

22 (E) "LOW- OR MODERATE-INCOME TENANT" MEANS A TENANT WHOSE  
23 INDIVIDUAL INCOME IS LESS THAN 120% OF THE LATEST AVAILABLE MEDIAN  
24 PER CAPITA INDIVIDUAL INCOME.

25 (F) "OFFICE" MEANS THE OFFICE OF THE TENANT ADVOCATE.

26 (G) "RESIDENTIAL UNIT" MEANS AN APARTMENT, A TOWNHOUSE, A  
27 HOUSE, A MOBILE HOME, OR A MOBILE HOME LOT.

28 (H) "TENANT ADVOCATE" MEANS THE CHIEF OF THE OFFICE OF THE  
29 TENANT ADVOCATE.

30 **8-220.**

1           **(A) THERE IS A MARYLAND RENTAL HOUSING AUTHORITY.**

2           **(B) THE AUTHORITY IS AN INDEPENDENT UNIT IN THE EXECUTIVE**  
3 **BRANCH OF STATE GOVERNMENT.**

4           **(C) THE AUTHORITY SHALL:**

5                   **(1) ACCEPT THE REGISTRATION OF RESIDENTIAL UNITS**  
6 **OFFERED FOR RENT IN THE STATE;**

7                   **(2) RECEIVE WRITTEN LEASES SUBMITTED BY LANDLORDS;**

8                   **(3) EVALUATE A SUBSET OF SUBMITTED LEASES AT RANDOM**  
9 **EACH YEAR TO TEST THEIR COMPLIANCE WITH STATE LAW;**

10                   **(4) ADOPT AND ENFORCE REGULATIONS NECESSARY TO**  
11 **IMPLEMENT THE PROVISIONS OF THIS PART;**

12                   **(5) HEAR REQUESTS FROM LANDLORDS FOR HARDSHIP RELIEF**  
13 **AND PERMISSION TO LEVY CAPITAL IMPROVEMENT SURCHARGES; AND**

14                   **(6) CARRY OUT ANY OTHER FUNCTION ASSIGNED TO THE**  
15 **AUTHORITY BY LAW.**

16 **8-221.**

17           **(A) THE AUTHORITY CONSISTS OF SEVEN COMMISSIONERS, APPOINTED**  
18 **BY THE GOVERNOR WITH THE ADVICE AND CONSENT OF THE SENATE.**

19           **(B) (1) EACH COMMISSIONER SHALL BE A REGISTERED VOTER OF**  
20 **THE STATE.**

21                   **(2) OF THE COMMISSIONERS, AT LEAST:**

22                           **(I) THREE SHALL BE LOW- OR MODERATE-INCOME**  
23 **TENANTS;**

24                           **(II) TWO SHALL BE HOMEOWNERS;**

25                           **(III) TWO SHALL BE RESIDENTS OF RURAL CENSUS PLOTS**  
26 **WITH POPULATIONS OF LESS THAN 2,500 RESIDENTS; AND**

1                   **(IV) THREE SHALL BE RESIDENTS OF URBAN CENSUS PLOTS**  
2 **WITH POPULATIONS OF 2,500 OR MORE RESIDENTS.**

3           **(C) EACH COMMISSIONER SHALL DEVOTE FULL TIME TO THE DUTIES OF**  
4 **OFFICE.**

5           **(D) (1) THE TERM OF A COMMISSIONER IS 7 YEARS AND BEGINS ON**  
6 **JULY 1.**

7                   **(2) THE TERMS OF COMMISSIONERS ARE STAGGERED AS**  
8 **REQUIRED BY THE TERMS PROVIDED FOR COMMISSIONERS ON OCTOBER 1,**  
9 **2014.**

10                   **(3) AT THE END OF A TERM, A COMMISSIONER CONTINUES TO**  
11 **SERVE UNTIL A SUCCESSOR QUALIFIES.**

12                   **(4) A COMMISSIONER WHO IS APPOINTED AFTER A TERM HAS**  
13 **BEGUN SERVES FOR THE REST OF THE TERM AND UNTIL A SUCCESSOR**  
14 **QUALIFIES.**

15           **(E) A COMMISSIONER IS ENTITLED TO COMPENSATION AS PROVIDED IN**  
16 **THE STATE BUDGET.**

17           **(F) BEFORE TAKING OFFICE, EACH APPOINTEE TO THE AUTHORITY**  
18 **SHALL TAKE THE OATH REQUIRED BY ARTICLE I, § 9 OF THE MARYLAND**  
19 **CONSTITUTION.**

20           **(G) THE GOVERNOR MAY REMOVE A COMMISSIONER FOR**  
21 **INCOMPETENCE OR MISCONDUCT IN ACCORDANCE WITH § 3-307 OF THE STATE**  
22 **GOVERNMENT ARTICLE.**

23 **8-222.**

24           **(A) THERE IS AN OFFICE OF THE TENANT ADVOCATE.**

25           **(B) THE OFFICE IS AN INDEPENDENT UNIT IN THE EXECUTIVE BRANCH**  
26 **OF STATE GOVERNMENT.**

27           **(C) THE OFFICE SHALL:**

28                   **(1) PROVIDE TENANTS WITH FREE COUNSEL CONCERNING**  
29 **TENANT LEASES, STATE AND LOCAL LANDLORD-TENANT LAWS, AND**  
30 **INTERACTIONS WITH LANDLORDS, THE COURT SYSTEM, AND THE AUTHORITY;**

1           **(2) ADVOCATE FOR THE INTERESTS OF TENANTS GENERALLY**  
2 **AND FOR THE BROADER PUBLIC INTEREST IN ANY PROCEEDING BEFORE THE**  
3 **AUTHORITY CONCERNING HARDSHIP RELIEF OR THE APPROVAL OF A CAPITAL**  
4 **IMPROVEMENT SURCHARGE;**

5           **(3) MAINTAIN OFFICES AND STAFF SUFFICIENT TO SUPPORT THE**  
6 **FUNCTIONS OF THE OFFICE; AND**

7           **(4) CARRY OUT ANY OTHER FUNCTION ASSIGNED TO THE OFFICE**  
8 **BY LAW.**

9           **(D) THE OFFICE MAY INTERVENE IN ANY LEGAL PROCEEDING BEFORE**  
10 **A COURT OF THE STATE TO REPRESENT THE INTERESTS OF TENANTS**  
11 **GENERALLY, IN ADDITION TO AND SEPARATE FROM THE INTEREST OF ANY**  
12 **TENANT WHO IS A PARTY TO THE PROCEEDING.**

13 **8-223.**

14           **(A) WITH THE ADVICE AND CONSENT OF THE SENATE AND THE**  
15 **COMMISSIONERS, THE GOVERNOR SHALL APPOINT THE TENANT ADVOCATE.**

16           **(B) (1) THE TERM OF THE TENANT ADVOCATE IS 7 YEARS AND**  
17 **BEGINS ON JULY 1.**

18           **(2) AT THE END OF A TERM, THE TENANT ADVOCATE CONTINUES**  
19 **TO SERVE UNTIL REAPPOINTED OR UNTIL A SUCCESSOR IS APPOINTED AND**  
20 **QUALIFIES.**

21           **(3) A TENANT ADVOCATE WHO IS APPOINTED AFTER A TERM HAS**  
22 **BEGUN SERVES FOR THE REST OF THE TERM AND UNTIL REAPPOINTED OR A**  
23 **SUCCESSOR IS APPOINTED AND QUALIFIES.**

24           **(C) THE TENANT ADVOCATE SHALL HAVE BEEN ADMITTED TO**  
25 **PRACTICE LAW IN THE STATE.**

26           **(D) THE TENANT ADVOCATE SHALL DEVOTE FULL TIME TO THE DUTIES**  
27 **OF OFFICE.**

28           **(E) THE TENANT ADVOCATE IS ENTITLED TO COMPENSATION AS**  
29 **PROVIDED IN THE STATE BUDGET.**

1           **(F) BEFORE TAKING OFFICE, THE TENANT ADVOCATE SHALL TAKE THE**  
2 **OATH REQUIRED BY ARTICLE I, § 9 OF THE MARYLAND CONSTITUTION.**

3           **(G) THE GOVERNOR MAY REMOVE THE TENANT ADVOCATE FOR**  
4 **INCOMPETENCE OR MISCONDUCT IN ACCORDANCE WITH § 3-307 OF THE STATE**  
5 **GOVERNMENT ARTICLE.**

6 **8-224.**

7           **(A) (1) ON OR BEFORE JANUARY 1, 2015, A LANDLORD SHALL**  
8 **REGISTER EACH RESIDENTIAL UNIT OFFERED FOR RENT IN THE STATE BY THE**  
9 **LANDLORD WITH THE AUTHORITY.**

10           **(2) THE REGISTRATION SHALL INCLUDE:**

11                   **(I) THE SIZE OF THE RESIDENTIAL UNIT AND OF THE**  
12 **PROPERTY ON WHICH THE RESIDENTIAL UNIT IS LOCATED;**

13                   **(II) THE APPROXIMATE COST BASIS OF THE RESIDENTIAL**  
14 **UNIT AND THE PROPERTY ON WHICH THE RESIDENTIAL UNIT IS LOCATED;**

15                   **(III) THE RENTAL HISTORY OF THE RESIDENTIAL UNIT OVER**  
16 **THE 5 YEARS PRECEDING REGISTRATION;**

17                   **(IV) THE APPROXIMATE MONTHLY COST OF UTILITIES FOR**  
18 **THE RESIDENTIAL UNIT, AVERAGED OVER THE COURSE OF 1 YEAR; AND**

19                   **(V) ANY OTHER INFORMATION THAT THE AUTHORITY BY**  
20 **REGULATION REQUIRES.**

21           **(3) THE AUTHORITY SHALL REQUIRE ANY LANDLORD WHO**  
22 **OFFERS 5 OR MORE RESIDENTIAL UNITS FOR RENT TO PAY A REGISTRATION FEE**  
23 **EQUAL TO 1% OF THE TOTAL COMBINED VALUE OF ALL THE PROPERTIES ON**  
24 **WHICH THE RESIDENTIAL UNITS ARE LOCATED.**

25           **(B) (1) BEGINNING JANUARY 1, 2015, A LANDLORD SHALL SUBMIT**  
26 **AN ORIGINAL COPY, SIGNED AND DATED, OF EACH WRITTEN LEASE EXECUTED**  
27 **BY THE LANDLORD TO THE AUTHORITY NO LATER THAN 30 DAYS AFTER THE**  
28 **LEASE IS EXECUTED.**

29           **(2) THE AUTHORITY SHALL CHARGE A LANDLORD A PROCESSING**  
30 **FEE FOR EACH WRITTEN LEASE SUBMITTED BY THE LANDLORD, WHICH SHALL**  
31 **BE EQUAL TO 1-MONTH'S RENT UNDER THE SUBMITTED LEASE.**

1           **(3) THE RECEIPT AND RECORDATION OF A WRITTEN LEASE**  
2 **UNDER THIS SUBSECTION DOES NOT CONSTITUTE APPROVAL OF THE LEASE**  
3 **TERMS BY THE AUTHORITY.**

4           **(C) A LANDLORD MAY NOT BRING AN ACTION IN ANY COURT OF THE**  
5 **STATE TO ENFORCE A PROVISION OF A LEASE NOT REGISTERED IN**  
6 **ACCORDANCE WITH THIS SECTION.**

7 **8-225.**

8           **(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE**  
9 **MEANINGS INDICATED.**

10           **(2) “BASE RENT” MEANS THE RENTAL FEE IN EFFECT FOR A**  
11 **RESIDENTIAL UNIT UNDER THE CURRENT LEASE AGREEMENT.**

12           **(3) “CPI-W” MEANS THE CONSUMER PRICE INDEX FOR URBAN**  
13 **WAGE EARNERS AND CLERICAL WORKERS.**

14           **(4) (I) “RENTAL FEE” MEANS THE AMOUNT CHARGED TO A**  
15 **TENANT UNDER A LEASE AGREEMENT IN CONNECTION WITH THE USE OR**  
16 **OCCUPANCY OF A RESIDENTIAL UNIT AND THE PROVISION OF HOUSING**  
17 **SERVICES.**

18           **(II) “RENTAL FEE” INCLUDES CHARGES TO THE TENANT**  
19 **FOR UTILITY SERVICES, PARKING, AND THE USE OF COMMUNAL OR**  
20 **RECREATIONAL FACILITIES.**

21           **(B) (1) ON OR BEFORE JANUARY 1, 2015, A LANDLORD SHALL**  
22 **CALCULATE THE INITIAL BASE RENT OF EACH RESIDENTIAL UNIT CURRENTLY**  
23 **OFFERED FOR RENT BY THE LANDLORD IN ACCORDANCE WITH THIS**  
24 **SUBSECTION.**

25           **(2) BEGINNING JANUARY 1, 2015, BEFORE INTRODUCING ANY**  
26 **NEW RESIDENTIAL UNIT TO THE RENTAL MARKET, A LANDLORD SHALL**  
27 **CALCULATE THE INITIAL BASE RENT OF THE RESIDENTIAL UNIT IN**  
28 **ACCORDANCE WITH THIS SUBSECTION.**

29           **(3) THE MAXIMUM INITIAL BASE RENT OF A RESIDENTIAL UNIT**  
30 **SHALL BE THE HIGHER OF:**



1           **(I) IF THE RESIDENTIAL UNIT WAS PREVIOUSLY OFFERED**  
2 **FOR RENT, THE RENTAL FEE IN EFFECT FOR THE RESIDENTIAL UNIT UNDER**  
3 **THE MOST RECENT LEASE AGREEMENT;**

4           **(II) 5.9% OF THE COST BASIS OF THE RESIDENTIAL UNIT**  
5 **PLUS ANY COLLATERALIZED DEBT IN THE RESIDENTIAL UNIT; OR**

6           **(III) AN AMOUNT EQUAL TO THE AVERAGE MONTHLY COST**  
7 **TO THE LANDLORD OF OWNING AND MAINTAINING THE RESIDENTIAL UNIT,**  
8 **INCLUDING COSTS ASSOCIATED WITH THE GENERAL UPKEEP AND REPAIR OF**  
9 **THE RESIDENTIAL UNIT BUT NOT INCLUDING COSTS ASSOCIATED WITH CAPITAL**  
10 **IMPROVEMENT PROJECTS, PROPERTY TAXES, OR INSURANCE.**

11           **(C) A LANDLORD MAY NOT INCREASE THE RENTAL FEE ON A**  
12 **RESIDENTIAL UNIT EXCEPT AS AUTHORIZED BY THE AUTHORITY UNDER THIS**  
13 **SECTION.**

14           **(D) (1) THE AUTHORITY SHALL BY REGULATION AUTHORIZE A**  
15 **LANDLORD TO INCREASE THE RENTAL FEE ON A RESIDENTIAL UNIT ONCE EACH**  
16 **YEAR.**

17           **(2) (I) A RENTAL FEE INCREASE AUTHORIZED UNDER THIS**  
18 **SUBSECTION MAY NOT EXCEED THE CPI-W PLUS 0.5%, PROVIDED THAT THE**  
19 **RESULT IS LESS THAN OR EQUAL TO 10% OF THE BASE RENT.**

20           **(II) IF A RENTAL FEE INCREASE EQUAL TO THE CPI-W**  
21 **PLUS 0.5% WOULD RESULT IN AN INCREASE THAT WOULD EXCEED 10% OF THE**  
22 **BASE RENT, THEN THE INCREASE SHALL BE CAPPED AT THE HIGHER OF:**

23                   **1. 10% OF THE BASE RENT; OR**

24                   **2. THE CPI-W MINUS 1%.**

25           **(E) (1) IN ADDITION TO THE RENTAL FEE INCREASE AUTHORIZED**  
26 **UNDER SUBSECTION (D) OF THIS SECTION, A LANDLORD MAY APPLY TO THE**  
27 **AUTHORITY FOR PERMISSION TO LEVY A CAPITAL IMPROVEMENT SURCHARGE**  
28 **CONSISTENT WITH THE REQUIREMENTS OF THIS SUBSECTION.**

29           **(2) THE AUTHORITY MAY APPROVE A REQUEST UNDER THIS**  
30 **SUBSECTION ONLY IF THE AUTHORITY FINDS THAT THE CAPITAL IMPROVEMENT**  
31 **SURCHARGE REQUESTED BY THE LANDLORD WILL:**

1                   **(I) BE USED ONLY TO COVER THE ACTUAL EXPENSE TO THE**  
2 **LANDLORD OF SIGNIFICANT CAPITAL IMPROVEMENTS THAT MATERIALLY**  
3 **IMPROVE TENANT QUALITY OF LIFE; AND**

4                   **(II) BE OF LIMITED DURATION, REASONABLY DESIGNED TO**  
5 **AMORTIZE THE CAPITAL IMPROVEMENT COSTS OVER A PERIOD OF TIME THAT**  
6 **BALANCES THE DESIRE OF THE LANDLORD TO RECOUP COSTS IN A TIMELY**  
7 **MANNER WITH THE NEED TO MINIMIZE THE BURDEN TO THE TENANT.**

8                   **(3) THE AUTHORITY SHALL HEAR FROM THE TENANT ADVOCATE**  
9 **BEFORE APPROVING A REQUEST BY A LANDLORD TO LEVY A CAPITAL**  
10 **IMPROVEMENT SURCHARGE UNDER THIS SUBSECTION.**

11                   **(4) A LANDLORD MAY APPLY A CAPITAL IMPROVEMENT**  
12 **SURCHARGE APPROVED BY THE AUTHORITY UNDER THIS SUBSECTION TO THE**  
13 **NEXT SCHEDULED ANNUAL INCREASE IN THE BASE RENT OF THE RESIDENTIAL**  
14 **UNIT OCCURRING NO SOONER THAN 3 MONTHS AFTER THE COMPLETION OF THE**  
15 **CAPITAL IMPROVEMENT PROJECT COVERED BY THE SURCHARGE.**

16                   **(5) A LANDLORD SHALL:**

17                   **(I) NOTIFY A TENANT OF ANY CAPITAL IMPROVEMENT**  
18 **SURCHARGE APPROVED BY THE AUTHORITY UNDER THIS SUBSECTION; AND**

19                   **(II) PROVIDE TO THE TENANT WRITTEN DOCUMENTATION**  
20 **OF THE BASIS ON WHICH THE SURCHARGE HAS BEEN CALCULATED.**

21                   **(F) (1) IF A LANDLORD PLANS TO ENGAGE IN A LARGE-SCALE**  
22 **CAPITAL IMPROVEMENT PROJECT THAT INVOLVES EXPENDITURES EXCEEDING**  
23 **50% OF THE COST BASIS OF THE RESIDENTIAL UNIT AFFECTED BY THE CAPITAL**  
24 **IMPROVEMENT PROJECT, THEN THE LANDLORD MAY APPLY TO THE AUTHORITY**  
25 **TO RECALCULATE THE BASE RENT FOR THE RESIDENTIAL UNIT.**

26                   **(2) AN APPLICATION TO RECALCULATE THE BASE RENT FOR A**  
27 **RESIDENTIAL UNIT UNDER THIS SUBSECTION SHALL INCLUDE:**

28                   **(I) AN ITEMIZED ESTIMATE OF EXPENDITURES FOR THE**  
29 **CAPITAL IMPROVEMENT PROJECT; AND**

30                   **(II) A PROPOSED SCHEDULE FOR COMPLETING THE**  
31 **CAPITAL IMPROVEMENT PROJECT.**

1           **(3) THE AUTHORITY SHALL HEAR FROM THE TENANT ADVOCATE**  
2 **BEFORE APPROVING A REQUEST BY A LANDLORD TO RECALCULATE A BASE**  
3 **RENT UNDER THIS SUBSECTION.**

4           **(4) THE AUTHORITY MAY APPROVE A REQUEST UNDER THIS**  
5 **SUBSECTION ONLY IF THE AUTHORITY DETERMINES THAT THE REQUEST IS**  
6 **REASONABLE AND WILL NOT UNDULY HARM THE TENANTS' INTERESTS.**

7           **(G) (1) A TENANT MAY PETITION THE DISTRICT COURT FOR RELIEF**  
8 **IF A LANDLORD INCREASES A RENTAL FEE BEYOND THE LIMITATIONS IMPOSED**  
9 **BY THIS SECTION.**

10           **(2) THE DISTRICT COURT MAY MAKE ANY ORDERS OR**  
11 **JUDGMENTS NECESSARY TO PREVENT THE UNLAWFUL INCREASE OF A RENTAL**  
12 **FEE OR TO RESTORE TO A TENANT ANY MONEY ACQUIRED IN VIOLATION OF THIS**  
13 **SECTION.**

14           **(H) (1) IF THE APPLICATION OF THIS SECTION OR ANY REGULATION**  
15 **ADOPTED UNDER THIS SECTION WOULD CAUSE A LANDLORD UNDUE HARDSHIP,**  
16 **THE LANDLORD MAY APPLY TO THE AUTHORITY FOR HARDSHIP RELIEF.**

17           **(2) THE AUTHORITY MAY GRANT ANY RELIEF THE AUTHORITY**  
18 **DETERMINES APPROPRIATE, BUT SHALL GIVE PREFERENCE TO TEMPORARY**  
19 **MEASURES SUCH AS TERM-LIMITED WAIVERS OR SURCHARGE**  
20 **AUTHORIZATIONS.**

21           **(3) THE AUTHORITY SHALL HEAR FROM THE TENANT ADVOCATE**  
22 **BEFORE GRANTING ANY RELIEF TO A LANDLORD UNDER THIS SUBSECTION.**

23           **(I) THIS SECTION DOES NOT APPLY TO:**

24           **(1) FEDERALLY FINANCED PROJECTS WHERE THE RENT IS**  
25 **DETERMINED AS A PERCENTAGE OF THE TENANT'S INCOME; OR**

26           **(2) UNITS OF EDUCATIONAL INSTITUTIONAL HOUSING NOT**  
27 **OPERATED FOR PROFIT.**

28 **8-226.**

29           **(A) (1) IN THIS SECTION, "EVICT" MEANS TO TAKE ANY ACTION TO**  
30 **REMOVE A TENANT FROM A RESIDENTIAL UNIT AND TERMINATE THE TENANCY**  
31 **AGAINST THE TENANT'S WILL.**

1           **(2) “EVICT” INCLUDES THE REFUSAL BY A LANDLORD TO RENEW**  
2 **A LEASE ON SUBSTANTIALLY SIMILAR TERMS.**

3           **(B) NOTWITHSTANDING ANY OTHER PROVISION OF LAW, A LANDLORD**  
4 **MAY NOT EVICT A TENANT IN THE ABSENCE OF JUST CAUSE.**

5           **(C) FOR PURPOSES OF THIS SECTION, JUST CAUSE EXISTS IF:**

6           **(1) A TENANT FAILS TO PAY RENT WHEN DUE AND PAYABLE;**

7           **(2) A TENANT BREACHES THE TERMS OF THE LEASE AND THE**  
8 **BREACH IS SUBSTANTIAL;**

9           **(3) A TENANT REFUSES, AFTER WRITTEN REQUEST BY THE**  
10 **LANDLORD, TO EXECUTE AN EXTENSION OR RENEWAL OF AN EXPIRED LEASE**  
11 **FOR A TERM OF LIKE DURATION AND ON TERMS SUBSTANTIALLY SIMILAR TO**  
12 **THE TERMS OF THE PRIOR LEASE;**

13           **(4) A TENANT HAS CAUSED SUBSTANTIAL DAMAGE TO THE**  
14 **RESIDENTIAL UNIT OR ANOTHER AREA OF THE PROPERTY AND, AFTER**  
15 **RECEIVING NOTICE TO MAKE SATISFACTORY CORRECTION OR PAY THE**  
16 **REASONABLE COSTS OF REPAIRING THE DAMAGE, THE TENANT FAILS TO DO SO;**

17           **(5) AFTER RECEIVING NOTICE TO CEASE, A TENANT CONTINUES**  
18 **TO ENGAGE IN DISORDERLY CONDUCT SO AS TO DISTURB THE PEACE AND QUIET**  
19 **OF OTHER TENANTS;**

20           **(6) A TENANT HAS ENGAGED IN ILLEGAL ACTIVITY ON THE**  
21 **PREMISES OR ON A PUBLIC RIGHT-OF-WAY ABUTTING THE PREMISES;**

22           **(7) A TENANT, WITHOUT REASONABLE CAUSE, REFUSES TO**  
23 **GRANT THE LANDLORD ACCESS TO THE RESIDENTIAL UNIT FOR THE PURPOSE**  
24 **OF MAKING REPAIRS OR IMPROVEMENTS OR INSPECTING THE RESIDENTIAL**  
25 **UNIT, OR AS OTHERWISE AUTHORIZED UNDER THE LEASE OR APPLICABLE LAW;**

26           **(8) A TENANT, WITHOUT REASONABLE CAUSE, REFUSES TO**  
27 **PROVIDE THE LANDLORD WITH INFORMATION NEEDED BY THE LANDLORD TO**  
28 **SATISFY THE CONDITIONS OF AN AFFORDABLE HOUSING FINANCING**  
29 **AGREEMENT;**

30           **(9) A LANDLORD, IN GOOD FAITH, SEEKS TO RECOVER**  
31 **POSSESSION OF THE RESIDENTIAL UNIT FOR THE USE OF THE LANDLORD’S**  
32 **SPOUSE, CHILD, PARENT, OR GRANDPARENT;**

1           (10) A LANDLORD, IN GOOD FAITH, SEEKS TO PERMANENTLY  
2 REMOVE THE RESIDENTIAL UNIT FROM THE RENTAL MARKET; OR

3           (11) A LANDLORD, AFTER HAVING OBTAINED ALL NECESSARY  
4 PERMITS, SEEKS TO UNDERTAKE SUBSTANTIAL REPAIRS OR RENOVATIONS  
5 THAT CANNOT BE COMPLETED WHILE THE RESIDENTIAL UNIT IS OCCUPIED.

6           (D) A NOTICE REQUIRED TO BE GIVEN TO A TENANT UNDER  
7 SUBSECTION (C) OF THIS SECTION SHALL BE SENT BY CERTIFIED MAIL, RETURN  
8 RECEIPT REQUESTED.

9 8-227.

10          (A) A LANDLORD THAT VIOLATES ANY PROVISIONS OF THIS PART OR A  
11 REGULATION ADOPTED UNDER THIS PART IS GUILTY OF A MISDEMEANOR AND  
12 ON CONVICTION IS SUBJECT TO A FINE NOT EXCEEDING \$1,500 OR  
13 IMPRISONMENT NOT EXCEEDING 11 MONTHS OR BOTH.

14          (B) (1) INSTEAD OF PURSUING CRIMINAL PENALTIES UNDER  
15 SUBSECTION (A) OF THIS SECTION, THE AUTHORITY MAY IMPOSE AN  
16 ADMINISTRATIVE PENALTY ON ANY PERSON WHO VIOLATES ANY PROVISION OF  
17 THIS PART OR ANY REGULATION ADOPTED UNDER THIS PART.

18          (2) THE PENALTY IMPOSED UNDER THIS SUBSECTION MAY NOT  
19 EXCEED \$2,000 FOR EACH VIOLATION.

20          (3) ALL PENALTIES COLLECTED UNDER THIS SUBSECTION SHALL  
21 BE PAID INTO THE GENERAL FUND OF THE STATE.

22          (4) THE AUTHORITY SHALL ADOPT REGULATIONS NECESSARY TO  
23 IMPLEMENT THE PROVISIONS OF THIS SUBSECTION.

24          (C) EXCEPT AS OTHERWISE PROVIDED IN THE ADMINISTRATIVE  
25 PROCEDURE ACT, BEFORE THE AUTHORITY TAKES ANY ACTION UNDER THIS  
26 PART, THE AUTHORITY SHALL GIVE THE PERSON AGAINST WHOM THE ACTION IS  
27 CONTEMPLATED AN OPPORTUNITY FOR A HEARING BEFORE THE AUTHORITY.

28          (D) THE AUTHORITY SHALL GIVE NOTICE AND HOLD THE HEARING IN  
29 ACCORDANCE WITH THE ADMINISTRATIVE PROCEDURE ACT.

30          (E) THE PERSON AGAINST WHOM THE ACTION IS CONTEMPLATED MAY  
31 BE REPRESENTED AT THE HEARING BY COUNSEL.

1           **(F) THE AUTHORITY MAY ISSUE SUBPOENAS IN CONNECTION WITH ANY**  
2 **INVESTIGATION OR PROCEEDINGS UNDER THIS SECTION.**

3           **(G) IF, AFTER DUE NOTICE, THE PERSON AGAINST WHOM THE ACTION IS**  
4 **CONTEMPLATED FAILS OR REFUSES TO APPEAR, THE AUTHORITY MAY HEAR**  
5 **AND DETERMINE THE MATTER.**

6 **8-228.**

7           **THIS PART MAY BE CITED AS THE MARYLAND RENTAL HOUSING**  
8 **STABILIZATION ACT.**

9           SECTION 2. AND BE IT FURTHER ENACTED, That:

10           (a) There is a Task Force on the Establishment of Regional Housing Boards.

11           (b) The Task Force consists of the following members:

12                   (1) two members of the Senate of Maryland, appointed by the  
13 President of the Senate;

14                   (2) two members of the House of Delegates, appointed by the Speaker  
15 of the House;

16                   (3) the Secretary of Housing and Community Development, or the  
17 Secretary's designee;

18                   (4) the Tenant Advocate serving in accordance with Section 1 of this  
19 Act, or the Tenant Advocate's designee; and

20                   (5) the following members, appointed by the Governor:

21                           (i) two commissioners from the Maryland Rental Housing  
22 Authority, established under Section 1 of this Act;

23                           (ii) one representative from the Center on Budget and Policy  
24 Priorities;

25                           (iii) two landlords who rent residential units in the State;

26                           (iv) two tenants who reside in rural areas of the State, of which  
27 at least one must be a low- or moderate-income tenant;

28                           (v) two tenants who reside in urban areas of the State, of which  
29 at least one must be a low- or moderate-income tenant;

1 (vi) two lawyers admitted to the Maryland Bar who have  
2 experience representing clients in landlord–tenant proceedings;

3 (vii) one appellate judge;

4 (viii) one circuit court judge; and

5 (ix) one District Court judge.

6 (c) The Governor shall designate the chair of the Task Force.

7 (d) The Department of Housing and Community Development shall provide  
8 staff for the Task Force.

9 (e) A member of the Task Force:

10 (1) may not receive compensation as a member of the Task Force; but

11 (2) is entitled to reimbursement for expenses under the Standard  
12 State Travel Regulations, as provided in the State budget.

13 (f) The Task Force shall:

14 (1) study the need for a separate system of regional housing boards to  
15 adjudicate disputes between landlords and tenants;

16 (2) evaluate the experiences of other states and jurisdictions that have  
17 established administrative housing courts or housing boards and identify best  
18 practices; and

19 (3) if the Task Force determines that it would be desirable to establish  
20 a separate system of regional housing boards to adjudicate disputes between landlords  
21 and tenants, make specific recommendations regarding:

22 (i) the composition of the boards and the necessary  
23 qualifications of board members;

24 (ii) the scope of issues the boards should be authorized to hear;

25 (iii) the level of representation due to landlords and tenants in  
26 proceedings before the boards;

27 (iv) the process for transitioning case loads from the District  
28 Courts to the boards;

1 (v) the number of boards to be established and their locations;  
2 and

3 (vi) possible sources of funding for the boards.

4 (g) On or before December 31, 2014, the Task Force shall report its findings  
5 and recommendations to the Governor and, in accordance with § 2-1246 of the State  
6 Government Article, the General Assembly.

7 SECTION 3. AND BE IT FURTHER ENACTED, That the terms of the initial  
8 commissioners of the Maryland Rental Housing Authority shall expire as follows:

9 (1) one member in 2015;

10 (2) one member in 2016;

11 (3) one member in 2017;

12 (4) one member in 2018;

13 (5) one member in 2019;

14 (6) one member in 2020; and

15 (7) one member in 2021.

16 SECTION 4. AND BE IT FURTHER ENACTED, That this Act shall take effect  
17 July 1, 2014. Section 2 of this Act shall remain effective for a period of 1 year and, at  
18 the end of June 30, 2015, with no further action required by the General Assembly,  
19 Section 2 of this Act shall be abrogated and of no further force and effect.