

HOUSE BILL 551

N1

2lr1688

By: **Delegate Wells**

Introduced and read first time: January 31, 2022

Assigned to: Environment and Transportation

A BILL ENTITLED

1 AN ACT concerning

2 **Real Property – Residential Leases – Rent Increase Restrictions**

3 FOR the purpose of prohibiting a landlord from increasing rent on a certain restricted
4 rental unit by more than a certain percentage each year, subject to certain
5 exceptions; providing additional restrictions on rent increases during and following
6 a state of emergency; providing that rent restrictions for restricted rental units do
7 not apply once rent is at least a certain amount each month; and generally relating
8 to rent restrictions for residential leases.

9 BY repealing and reenacting, without amendments,
10 Article – Housing and Community Development
11 Section 4–1801(a) and (c)
12 Annotated Code of Maryland
13 (2019 Replacement Volume and 2021 Supplement)

14 BY adding to
15 Article – Real Property
16 Section 8–209
17 Annotated Code of Maryland
18 (2015 Replacement Volume and 2021 Supplement)

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

21 **Article – Housing and Community Development**

22 4–1801.

23 (a) In this subtitle the following words have the meanings indicated.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



(c) "Area median income" means the median household income for the area adjusted for household size as published and annually updated by the United States Department of Housing and Urban Development.

Article – Real Property

8–209.

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

(2) "LANDLORD" MEANS:

(I) AN OWNER OF RECORD, A LESSOR, A SUBLESSOR, OR ANY OTHER PERSON OR ENTITY ENTITLED TO RECEIVE RENT FOR THE USE OR OCCUPANCY OF A RESTRICTED RENTAL UNIT; OR

(II) AN AGENT, A REPRESENTATIVE, OR A SUCCESSOR OF A PERSON OR AN ENTITY LISTED IN ITEM (I) OF THIS PARAGRAPH.

(3) "RENT" MEANS ANY MONEY OR OTHER CONSIDERATION THAT A TENANT GIVES FOR THE RIGHT TO USE, POSSESS, AND OCCUPY A RESTRICTED RENTAL UNIT.

(4) "RESTRICTED RENTAL UNIT" MEANS ANY REAL PROPERTY:

(I) RENTED OR OFFERED FOR RESIDENTIAL USE OR OCCUPANCY, INCLUDING:

1. AN APARTMENT, A TOWNHOUSE, A HOUSE, OR A MOBILE HOME; OR

2. A BUILDING, A STRUCTURE, OR A ROOM LOCATED WITHIN A STRUCTURE FORMING A SINGLE HABITABLE UNIT WITH FACILITIES THAT ARE USED OR INTENDED TO BE USED FOR LIVING, SLEEPING, COOKING, AND EATING PURPOSES;

(II) THAT WAS NEWLY CONSTRUCTED BEFORE 1990;

(III) WHERE, AS OF JANUARY 1, 2022, RENT WAS NOT MORE THAN 15% ABOVE FAIR MARKET RENT AS DETERMINED BY THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT; AND

(IV) OCCUPIED BY A TENANT THAT EARNS LESS THAN OR EQUAL

1 TO 50% OF AREA MEDIAN INCOME AS DEFINED IN § 4-1801 OF THE HOUSING AND
2 COMMUNITY DEVELOPMENT ARTICLE.

3 (5) "TENANT" MEANS:

4 (I) A RENTER, A TENANT, A SUBTENANT, A LESSEE, OR A
5 SUBLESSEE OF A RESTRICTED RENTAL UNIT;

6 (II) A GROUP OF TENANTS, SUBTENANTS, LESSEES, OR
7 SUBLESSEES OF A RESTRICTED RENTAL UNIT; OR

8 (III) ANOTHER INDIVIDUAL ENTITLED TO THE USE OR
9 OCCUPANCY OF THE RESTRICTED RENTAL UNIT.

10 (B) EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION, A LANDLORD MAY
11 NOT INCREASE RENT ON A RESTRICTED RENTAL UNIT BY MORE THAN 2% EACH
12 YEAR.

13 (C) IF THE LEASE FOR A RESTRICTED RENTAL UNIT IS FOR A TERM OF 1
14 MONTH AND RENEWED ON A MONTHLY BASIS BY THE TENANT, THE LANDLORD MAY
15 NOT INCREASE RENT ON THE RESTRICTED RENTAL UNIT BY MORE THAN 1% EVERY
16 6 MONTHS.

17 (D) IF THE RENT FOR A RESTRICTED RENTAL UNIT UNDER SUBSECTION (B)
18 OR (C) OF THIS SECTION IS BELOW FAIR MARKET RENT, THE LANDLORD MAY
19 INCREASE RENT TO REACH FAIR MARKET RENT BY AN ADDITIONAL:

20 (1) 4% IN THE FIRST YEAR THE RENT IS INCREASED UNDER THIS
21 SUBSECTION; AND

22 (2) 1% IN ANY SUBSEQUENT YEAR THE RENT IS INCREASED UNDER
23 THIS SUBSECTION.

24 (E) (1) DURING A STATE OF EMERGENCY AND FOR A 12-MONTH PERIOD
25 AFTER THE END OF THE STATE OF EMERGENCY, A LANDLORD MAY NOT INCREASE
26 RENT:

27 (I) BY MORE THAN 1% EACH YEAR FOR A RESTRICTED RENTAL
28 UNIT DESCRIBED IN SUBSECTION (B) OF THIS SECTION; OR

29 (II) BY MORE THAN 0.5% EVERY 6 MONTHS FOR A RESTRICTED
30 RENTAL UNIT DESCRIBED IN SUBSECTION (C) OF THIS SECTION.

1 **(2) IF THE RENT FOR A RESTRICTED RENTAL UNIT UNDER**
2 **SUBSECTIONS (B) AND (C) OF THIS SECTION IS BELOW FAIR MARKET RENT, THE**
3 **LANDLORD MAY NOT INCREASE RENT TO REACH FAIR MARKET VALUE AND MAY**
4 **ONLY INCREASE RENT IN ACCORDANCE WITH PARAGRAPH (1) OF THIS SUBSECTION.**

5 **(F) THE RESTRICTIONS ON RENT INCREASES IN THIS SECTION DO NOT**
6 **APPLY AFTER THE RENT OF A RESTRICTED RENTAL UNIT REACHES AT LEAST \$2,250**
7 **EACH MONTH.**

8 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
9 October 1, 2022.