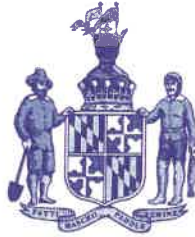


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March 3, 2020

To: The Honorable Kumar Barve
Chair, Environment and Transportation Committee

From: Kira Wilpone-Welborn
Staff Attorney

Re: House Bill 1199 – Real Property - County Rental Property Licenses - Requirements and Limits (OPPOSE)

The Consumer Protection Division of the Office of the Attorney General opposes House Bill 1199 sponsored by Delegate Grammer because it would usurp local jurisdictions' determinations on which properties must be licensed to be offered for rent, and unnecessarily limit the number of rental licenses issued per jurisdiction.

Presently, there is no state-wide licensing requirement for any rental unit. Instead, each locality is tasked with determining its own rental licensing framework, including any appropriate exclusions. For example, Baltimore City requires every rental unit offered to lease--whether multi-family or single-family--to be licensed. Whereas, in Charles and Frederick Counties no residential rental licenses are required. House Bill 1199 would mandate each jurisdiction alter its licensing requirements to license single-family dwelling units, and potentially impose exclusions (rentals to family members, owner occupied properties, and owners of fewer than 4 units) not presently permitted in some jurisdictions. For example, Baltimore City's single-family rental license applies to any non-owner-occupied one- or two-unit rental property. Likewise, Montgomery County requires all single-family rental units to be licensed without exception. As such, House Bill 1199 would usurp the judgement of local jurisdictions as to the need and expanse of its rental licensing program.

More troubling, House Bill 1199 would require jurisdictions to limit the number of licenses issued to 15% of the number of single-family dwellings within these jurisdictions. The requirements proposed by House Bill 1199 do not appear to be related to present deficiencies in local jurisdictions' licensing policies. Instead, the bill unnecessarily limits single-family rentals, restricting consumers choices in the rental market.

Accordingly, the Division requests that the Environment and Transportation Committee give House Bill 1199 an unfavorable report.

