



Bill Title: House Bill 918, Montgomery County – Landlord and Tenant – Tenant Access to Cable Television Systems and Equipment

Committee: Judicial Proceedings Committee

Date: March 31, 2022

Position: Unfavorable

This testimony is offered on behalf of the Maryland Multi-Housing Association (MMHA). MMHA is a professional trade association established in 1996, whose members consist of owners and managers of more than 210,000 rental housing homes in over 958 apartment communities. Our members house over 538,000 residents of the State of Maryland. MMHA also represents over 250 associate member companies who supply goods and services to the multi-housing industry.

This bill prohibits landlords in Montgomery County from (1) preventing a cable television company from accessing a dwelling unit for the purpose of constructing, installing, or servicing cable television system equipment if a tenant has requested cable television system service or (2) discriminating in rental or other charges based on a cable television system subscription. The bill authorizes a landlord to require certain compensation in exchange for allowing the installation of cable television system equipment on the property, along with indemnification for any damage that results from the installation or removal of cable television system equipment, as specified. A cable television company may not charge a landlord for the installation of cable television equipment or install a cable television system in an individual dwelling unit without permission from a tenant, as specified. The bill applies only to residential rental property in Montgomery County with more than five residential dwelling units for rent on a single parcel of property or at a single location.

This legislation threatens residents' access to high-quality, affordable cable services by dissuading and disincentivizing the partnership-based models enjoyed by housing providers and cable service providers. These commercial arrangements promote greater investment in building infrastructure, which improves the quality of service and cost for the renter. Furthermore, mandatory access does not guarantee mandatory service. Efforts to spur competition should have the end goal of increasing services for rural and low-income renters. It is a business decision of the service provider to determine who, where, and what is worth the investment. Quite frankly, mandatory access legislation does nothing more than grant smaller providers unfettered access to Class A properties.

MMHA has the following specific objections and concerns with the legislation:

1. Recent FCC Action: On February 15, 2022, the Federal Communications Commission (FCC) announced that it adopted rules to unlock broadband competition for those living and working in apartments, public housing, office buildings, and

other multi-tenant buildings. This follows FCC's invitation for comments in September 2021. These new rules prohibit broadband providers from entering into certain revenue sharing agreements with a building owner that keep competitive providers out of buildings. The rules also require providers to inform tenants about the existence of exclusive marketing arrangements in simple, easy-to-understand language that is readily accessible. Finally, in a Declaratory Ruling, the Commission clarifies that existing Commission rules regarding cable inside wiring prohibit so-called sale-and-leaseback arrangements that block competitive access to alternative providers. The FCC recently and continuously reviews the rules related to the installation and removal of cable systems in multi-family dwellings. Rather than legislating these requirements for one county in one state, the FCC is best suited to regulate the industry.

2. Role of Tenant: The bill allows any tenant to request cable service without approval from the owner of the property (page 2, lines 15-18). This provides a platform for the tenant to allow any contractor into their premise to perform whatever work they may request without owner's approval. Installation of cable service in a specific unit will require access to adjoining units to run cables and hardware. Those tenants may oppose access or their identity could be unknown to the tenant desiring the service. This could potentially lead to chaos and, in effect, gives the tenant control of the leased premises and even various areas of the property and removes that right of control from the housing provider. A housing provider's standard lease grants no such control or waiver of control.
3. Property Disruption: Pursuant to the language on page 2, lines 15-18, there is no limit on the amount of construction that could occur in any given community. To wire both exterior and interior of the complexes demands additional work and costs to the property. A staff member must act as project manager. These projects take weeks or months depending on the size and complexity of the project. The property owner must have the right to approve the method of installment, cable routes, drilling, visible components to units and exterior of buildings that effect the aesthetics of the building.
4. Compensation: The bill provides that a landlord may require "compensation that is competitively neutral and nondiscriminatory" in exchange for allowing the installation of cable services at the property location (on page 2, line 22-24). It is unclear who determines what "compensation is competitively neutral and nondiscriminatory." This language could effectively prohibit the landlord from collecting reasonable compensation as a result of a unilateral decision by a tenant who requests cable service.

Given MMHA's concerns, along with the history, breadth and depth of work by the FCC on these issues, we respectfully request an unfavorable report on House Bill 918.

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