



Montgomery County

Office of Intergovernmental Relations

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SB 481

DATE: February 29, 2024

SPONSOR: The President (By Request - Administration)

ASSIGNED TO: Judicial Proceedings & Education, Energy, and the Environment

CONTACT PERSON: Leslie Frey (leslie.frey@montgomerycountymd.gov)

POSITION: SUPPORT WITH AMENDMENT (Department of Housing and Community Affairs)

Renters' Rights and Stabilization Act of 2024

Among other provisions, Senate Bill 481 increases surcharges from \$8 to \$93 for cases of ejection, tenant holding over, and breach of lease that seeks a judgment for possession of residential property against a residential tenant filed in the District Court and prohibits the court from assigning the surcharge against a tenant; alters the priority and criteria in the Statewide Rental Assistance Voucher Program that are followed by the Department of Housing and Community Development (DHCD) and public housing agencies for providing vouchers and housing assistance payments to families; establishes the Office of Tenants' Rights in DHCD and requires the Office to develop and publish a Maryland Tenants' Bill of Rights; requires the most recently published version of the Maryland Tenants' Bill of Rights to be included as part of a residential lease; limits the maximum security deposit required by a residential lease to one month's rent; and requires that before a voluntary transfer of title to a residential property of four or fewer units occurs, any tenant or group of tenants of the property shall have the right of first refusal to purchase the property. Montgomery County Department of Housing and Community Affairs (MCDHCA) strongly supports the rights and protections offered by Senate Bill 481 and respectfully requests an amendment to ensure that local county law guaranteeing the right of first refusal to purchase a rental property with four units by a local government, housing authority, or tenant group be exempt from preemption under the bill.

The bill contains a clause preempting any local law or ordinance governing the right of first refusal of a jurisdiction or tenant for the purchase of a residential property with four or fewer individual dwelling units. ¹ Under Montgomery County law, the County and the Housing Opportunities Commission (HOC), along with tenant organizations, have right of first refusal for rental properties with 4 or more units ([Sec. 53A-4](#)); the preemption clause in SB481 at 8-119(k) would make it so that the County and HOC would no longer have ROFR for properties with 4 units, a right which the County has exercised in recent years. The preference of MCDHCA would be to amend the bill to eliminate the preemption of local law so that the County, HOC, and tenants of properties with four units would continue to have right of first refusal to purchase under County law, and the amendment language to this effect is included in this testimony on the following page. However, if the bill were to be amended to preempt only local laws or ordinances governing the right of first refusal for the purchase of a residential property with three or fewer individual dwelling units, this would alleviate MCDHCA's concern.

MCDHCA respectfully requests a favorable report on Senate Bill 481 with an amendment to protect local laws governing the right of first refusal for residential properties with four individual dwelling units.

¹ Real Property – Article 8-119(k), bill pg. 12 beginning in line 17.

AMENDMENTS TO SENATE BILL 481
(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in line 18, strike beginning with “and” and continuing through “law”.

AMENDMENT NO. 2

On page 12, in line 17, strike beginning with “**(K)**” and continuing through “.” in line 19.