

Introduced \_\_\_\_\_  
Public Hearing \_\_\_\_\_  
Council Action \_\_\_\_\_  
Executive Action \_\_\_\_\_  
Effective Date \_\_\_\_\_

**County Council of Howard County, Maryland**

2023 Legislative Session

Legislative Day No. \_\_13\_\_

**Bill No. 44 -2023**

Introduced by: The Chairperson at the request of the County Executive and  
Cosponsored by Christiana Rigby

AN ACT prohibiting the increase in the amount of rent over a specified amount for certain regulated units; requiring the publication of the permitted amount of rent increase; allowing a landlord to apply for a capital improvement surcharge upon a showing of certain criteria; allowing a fair return for a regulated unit; providing certain exemptions; defining certain terms; requiring that certain fees be prominently displayed; setting forth penalties; inserting a severability clause; providing for the abrogation of certain provisions of this Act; establishing a workgroup to study the effect of this Act; and generally relating to rental increases in Howard County.

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Introduced and read first time \_\_\_\_\_, 2023. Ordered posted and hearing scheduled.

By order \_\_\_\_\_  
Michelle Harrod, Administrator

Having been posted and notice of time & place of hearing & title of Bill having been published according to Charter, the Bill was read for a second time at a public hearing on \_\_\_\_\_, 2023.

By order \_\_\_\_\_  
Michelle Harrod, Administrator

This Bill was read the third time on \_\_\_\_\_, 2023 and Passed \_\_\_\_, Passed with amendments \_\_\_\_, Failed \_\_\_\_.

By order \_\_\_\_\_  
Michelle Harrod, Administrator

Sealed with the County Seal and presented to the County Executive for his approval this \_\_\_\_ day of \_\_\_\_\_, 2023 at \_\_\_\_ a.m./p.m.

By order \_\_\_\_\_  
Michelle Harrod, Administrator

Approved/Vetoed by the County Executive \_\_\_\_\_, 2023.

\_\_\_\_\_  
Calvin Ball, County Executive

NOTE: [[text in brackets]] indicates deletions from existing law; TEXT IN SMALL CAPITALS indicates additions to existing law; ~~Strike out~~ indicates material deleted by amendment; Underlining indicates material added by amendment.

1           **WHEREAS**, more than 31,000 renter households currently reside in Howard County and  
2 are an important part of the county’s vibrant and diverse community; and

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4           **WHEREAS**, according to local data from the United States Census, approximately 45  
5 percent of rental households were cost burdened in 2020, spending more than 30 percent of their  
6 income on rent, and 23 percent of households were severely cost burdened, spending more than  
7 50 percent of their income on rent; and

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9           **WHEREAS**, according to the 2022 Howard County Rental Survey, the county is  
10 experiencing a shortage of approximately 6,500 rental units affordable to households earning less  
11 than \$60,000 per year, compelling thousands of households to spend more than 30% of their  
12 income on housing every month; and

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14           **WHEREAS**, between 2018 and 2021, the vacancy rate for rental apartments dropped from  
15 3.1% to 1.5%, which is far below the recommended vacancy rate of 5% that indicates a stable and  
16 healthy rental market. The low rental vacancy rate reflects a significant undersupply of rental  
17 housing and a high demand for housing in Howard County; and

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19           **WHEREAS**, the lack of adequate housing supply and high demand for housing has led to  
20 increases in rental prices in recent years. Data collected by CoStar on the Howard County housing  
21 market has found that the average cost of rent has risen by approximately 23% over a three-year  
22 period in the County; and

23  
24           **WHEREAS**, the sharply-rising cost of housing and rent in Howard County is pricing many  
25 existing residents out of their homes and contributing to displacement and housing instability in  
26 the County; and

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28           **WHEREAS**, one of the core tenets of a healthy, stable, safe, and supported community is  
29 ready access to affordable and attainable housing options; and

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31           **WHEREAS**, it is in the County’s interest to address the local housing crisis and mitigate  
32 excessive rent increases to promote the public safety, health, and welfare of Howard County  
33 residents; and

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**WHEREAS**, anti-rent gouging policies in the United States have proven to be effective at mitigating excessive rent increases, preventing price-gouging at the local level, and reducing displacement and housing instability for the benefit of renter households.

**Section 1. Be it Enacted** by the County Council of Howard County, Maryland, that the Howard County Code is amended as follows:

*By amending:*  
*Title 17. Public Protection Services.*  
*Section 17.1010 “Prohibited lease provisions”.*

*By amending:*  
*Title 17. Public Protection Services.*  
*Section 17.1016 “Penalties and other relief”.*

*By adding:*  
*Title 17 “Public Protection Services”*  
*Section 17.1018 “Rent Stabilization”*

*By adding:*  
*Title 17 “Public Protection Services”*  
*Section 17.1019 “Severability”*

**Title 17. Public Protection Services.**  
**Subtitle 10. Landlord tenant relations.**

**Section 17.1010. Prohibited lease provisions.**

A lease may not:

- (1) Authorize a person to confess judgment on behalf of the tenant for rent due or any other claim arising out of the lease;
- (2) Authorize the landlord to take possession of the leased premises or the tenant's personal property unless the lease has been terminated by action of the parties or by operation of

1 law, and the personal property has been abandoned by the tenant without the benefit of  
2 formal legal process;

3 (3) Waive a tenant's right to a trial by jury;

4 (4) State that the tenant agrees to pay court costs, legal fees, or attorney fees other than those  
5 that a court awards for a breach of lease by the tenant;

6 (5) State that the tenant agrees to a period required for landlord's notice to quit that is less  
7 than that provided by law;

8 (6) Waive the landlord's liability for damage caused by the landlord's negligence or violation  
9 of law;

10 (7) Waive a right or protection afforded under this subtitle or other law;

11 (8) Establish a lien on the tenant's property except as provided by State law;

12 (9) Provide for a penalty or subject the tenant to legal action for non-payment of rent if the  
13 delinquent payment is made within six days after the date on which the rent is due unless  
14 the tenant is in arrears from the previous month;

15 (10) Impose a penalty in excess of five percent of the amount of rent due for the rental period  
16 for which payment is delinquent;

17 (11) Require that the tenant pay to replace or repair structural elements of the building, major  
18 appliances, or electrical, plumbing, heating, or air conditioning systems unless the  
19 replacement or repair is required because of actions of the tenant or a person for whom  
20 the tenant is legally responsible;

21 (12) Require the tenant to pay any money other than:

22 (i) An application fee that section 8-213 of the Real Property Article of the Maryland  
23 Code allows;

24 (ii) A security deposit that section 8-203 of the Real Property Article of the Maryland  
25 Code allows;

26 (iii) Rent that the lease specifies, ANY INCREASE OF WHICH SHALL COMPLY WITH SECTION  
27 17.1018 OF THIS SUBTITLE;

28 (iv) Charges for services and utilities identified in the lease as required by section  
29 17.1009(d) of this subtitle; OR

30 (v) [[Fees for specified amenities or common areas that the tenant may elect to use,  
31 including but not limited to dedicated parking spaces, pools; or fitness facilities; or

32 (vi)]] other FEES OR charges permitted by this subtitle or under applicable Maryland  
33 law[[, including but not limited to transfer fees or]];

1 (13) Require the tenant to pay transfer fees or other money not otherwise permitted under  
2 Maryland law for moving from one dwelling unit to another dwelling unit within an  
3 apartment complex during the lease period, but a landlord may withhold money from the  
4 security deposit on the original dwelling unit for damage to the unit and apply the  
5 remainder to the security deposit for the new unit; or

6 (14) State that the lease is a contract under seal.  
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8 **Section 17.1016. Penalties and other relief.**

9 (a) *Not Exclusive.* The penalties and relief specified in this section are in addition to the other  
10 penalties specifically provided in this subtitle AND IN TITLE 17, SUBTITLE 4 OF THIS CODE.

11 (b) *Civil Penalties.*

12 (1) The Office may enforce this subtitle with civil penalties under [[title]]TITLE 24, "Civil  
13 Penalties" of the Howard County Code.

14 (2) EXCEPT FOR A VIOLATION OF SECTION 17.1018, [[The]]A first violation of this subtitle is a  
15 Class B offense. A FIRST VIOLATION OF SECTION 17.1018 OF THIS SUBTITLE IS A CLASS A  
16 OFFENSE.

17 (3) Subsequent violations OF ANY PROVISION OF THIS SUBTITLE are Class A offenses. EACH  
18 DAY THAT A VIOLATION CONTINUES IS A SEPARATE OFFENSE.

19 (c) *Penalty Recoverable in Civil Action.* Alternatively, or in addition to and concurrent with other  
20 remedies, the Office may impose a fine not exceeding \$500 for each violation of this subtitle,  
21 recoverable in a civil action.

22 (d) *Injunctive and Other Relief.* The Office may also seek, and a court may issue, an injunction, a  
23 restraining order, or other appropriate relief AS PROVIDED IN TITLE 17, SUBTITLE 4 OF THIS CODE  
24 to correct a violation of this subtitle.  
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26 **SECTION 17.1018. RENT STABILIZATION.**

27 (A) *DEFINITIONS.* TERMS USED IN THIS SECTION SHALL HAVE THE MEANINGS INDICATED:

28 (1) *ADMINISTRATOR* MEANS THE ADMINISTRATOR OF THE OFFICE.

29 (2) *BASE RENT* MEANS RENT CHARGED FOR A REGULATED RENTAL UNIT UNDER A LEASE,  
30 EXCLUSIVE OF ANY RENTAL DISCOUNTS, INCENTIVES, CONCESSIONS, CREDITS OR FEES  
31 PERMITTED BY LAW WHICH ARE:

32 (I) OFFERED BY THE LANDLORD;

33 (II) ACCEPTED BY THE TENANT; AND

1 (III) ITEMIZED IN THE LEASE SEPARATE FROM THE RENT.

2 (3) *CAPITAL IMPROVEMENTS* MEAN PERMANENT STRUCTURAL ALTERATIONS TO A REGULATED  
3 UNIT INTENDED TO ENHANCE THE VALUE OF THE UNIT. CAPITAL IMPROVEMENTS INCLUDE  
4 STRUCTURAL ALTERATIONS REQUIRED UNDER FEDERAL, STATE, OR COUNTY LAW. CAPITAL  
5 IMPROVEMENTS DO NOT INCLUDE ORDINARY REPAIR OR MAINTENANCE OF EXISTING  
6 STRUCTURES.

7 (4) *CPI-U* MEANS THE MOST RECENT CONSUMER PRICE INDEX FOR ALL URBAN CONSUMERS  
8 FOR THE (CPI-U) BALTIMORE-COLUMBIA-TOWSON, MD, PUBLISHED BY THE U.S. BUREAU  
9 OF LABOR STATISTICS.

10 (5) *FAIR RETURN* MEANS A YEARLY RETURN ON INVESTMENT SUFFICIENT TO MAINTAIN THE  
11 LANDLORD'S NET OPERATING INCOME FROM THE PRIOR YEAR.

12 (6) *REGULATED RENTAL UNIT OR REGULATED UNIT* MEANS A RENTAL UNIT THAT IS NOT  
13 EXEMPTED UNDER SUBSECTION (E) OF THIS SECTION.

14 (B) *RENT INCREASES GENERALLY; PUBLICATION; DURATION.*

15 (1) UPON A LEASE RENEWAL OR NEW LEASE AGREEMENT, A LANDLORD SHALL NOT INCREASE  
16 THE RENT OF A REGULATED RENTAL UNIT OR UNIT THAT HAS BEEN VACANT FOR NO MORE  
17 THAN 12 MONTHS TO AN AMOUNT GREATER THAN:

18 (I) THE BASE RENT; PLUS

19 (II) THE RENT INCREASE ALLOWANCE, WHICH SHALL BE ANNUALLY CALCULATED BY THE  
20 ADMINISTRATOR AND SHALL BE THE LESSER OF:

21 A. CPI-U PLUS 5 PERCENT; OR

22 B. 10 PERCENT

23 (2) *PUBLICATION.* THE ADMINISTRATOR SHALL PUBLISH THE ANNUAL RENT INCREASE  
24 ALLOWANCE ON THE COUNTY WEBSITE BY OCTOBER 1 OF EACH YEAR.

25 (3) *DURATION.* A RENT INCREASE ALLOWANCE UNDER THIS SUBSECTION REMAINS IN EFFECT  
26 FOR A 12-MONTH PERIOD, BEGINNING JANUARY 1ST OF EACH YEAR AND ENDING ON  
27 DECEMBER 31ST OF EACH YEAR.

28 (C) *LIMITED SURCHARGES FOR CAPITAL IMPROVEMENTS; PETITION.*

29 (1) *PETITION; FINDINGS BY ADMINISTRATOR.* PRIOR TO STARTING A CAPITAL IMPROVEMENT, A  
30 LANDLORD MAY APPLY FOR AND THE ADMINISTRATOR SHALL GRANT A LANDLORD'S  
31 PETITION, FILED IN A FORM PROVIDED BY THE OFFICE, TO ADD A SURCHARGE TO THE  
32 AMOUNT PERMITTED UNDER SUBSECTION (B) OF THIS SECTION IF THE ADMINISTRATOR  
33 DETERMINES:

1 (I) THE SURCHARGE IS LIMITED TO AN AMOUNT NECESSARY TO COVER THE COSTS OF  
2 CAPITAL IMPROVEMENTS TO THE REGULATED UNIT, EXCLUDING THE COSTS OF  
3 ORDINARY REPAIR AND MAINTENANCE; AND

4 (II) THE APPLICANT HAS CERTIFIED TO THE ADMINISTRATOR THE COSTS OF THE CAPITAL  
5 IMPROVEMENTS, INCLUDING ANY INTEREST AND SERVICE CHARGE.

6 (2) *SURCHARGE REQUIREMENTS.*

7 (I) A LANDLORD SHALL MAINTAIN, AND SHALL MAKE AVAILABLE TO A TENANT OR THE  
8 OFFICE UPON REQUEST, ALL PLANS, CONTRACTS, SPECIFICATIONS, AND PERMITS  
9 RELATED TO ANY CAPITAL IMPROVEMENTS FOR WHICH A SURCHARGE HAS BEEN  
10 SOUGHT OR GRANTED.

11 (II) THE SURCHARGE FOR EACH UNIT ENDS ONCE THE COSTS OF THE CAPITAL  
12 IMPROVEMENTS, INCLUDING ANY INTEREST AND SERVICE CHARGES, HAVE BEEN  
13 RECOVERED BY THE LANDLORD.

14 (III) IF THE CAPITAL IMPROVEMENTS ARE FOR ALL RENTAL UNITS WITHIN THE BUILDING,  
15 THE SURCHARGE:

- 16 A. IS DIVIDED EQUALLY AMONG THE UNITS;
- 17 B. IS PRORATED OVER AT LEAST 120 MONTHS; AND
- 18 C. DOES NOT EXCEED 20 PERCENT OF THE BASE RENT;

19 (IV) IF THE CAPITAL IMPROVEMENTS APPLY ONLY TO CERTAIN REGULATED RENTAL UNITS  
20 WITHIN THE BUILDING, THE SURCHARGE:

- 21 A. IS DIVIDED EQUALLY AMONG THE AFFECTED UNITS;
- 22 B. IS PRORATED OVER AT LEAST 120 MONTHS; AND
- 23 C. DOES NOT EXCEED 20 PERCENT OF THE BASE RENT;

24 (D) FAIR RETURN. IN ACCORDANCE WITH THIS SUBSECTION:

25 (1) A LANDLORD MAY APPLY TO THE ADMINISTRATOR, IN A FORM PROVIDED BY THE OFFICE,  
26 TO INCREASE RENT FOR A REGULATED UNIT IN AN AMOUNT THAT EXCEEDS THE ANNUAL  
27 RENT INCREASE ALLOWANCE; AND

28 (2) THE ADMINISTRATOR SHALL GRANT THE APPLICATION IF THE ADMINISTRATOR FINDS THAT  
29 THE INCREASE IS NECESSARY FOR THE LANDLORD TO OBTAIN A FAIR RETURN ON THE  
30 REGULATED UNIT.

31 (E) EXEMPT RENTAL UNITS.

32 (1) *EXEMPTIONS.* THE REQUIREMENTS OF SUBSECTION (B) OF THIS SECTION SHALL NOT APPLY  
33 TO A UNIT IN:

- 1 (I) A NEWLY CONSTRUCTED PROJECT OR DEVELOPMENT THAT HAS BEEN OFFERED FOR
- 2 RENT FOR LESS THAN 20 YEARS;
- 3 (II) A LICENSED FACILITY, THE PRIMARY PURPOSE OF WHICH IS THE DIAGNOSIS, CURE,
- 4 MITIGATION, AND TREATMENT OF ILLNESSES;
- 5 (III) A CONTINUING CARE RETIREMENT COMMUNITY;
- 6 (IV) A FACILITY OWNED OR LEASED BY AN ORGANIZATION EXEMPT FROM FEDERAL INCOME
- 7 TAXES UNDER SECTION 501(C)(3) OF THE INTERNAL REVENUE CODE;
- 8 (V) AN OWNER-OCCUPIED GROUP HOME;
- 9 (VI) A RELIGIOUS FACILITY, INCLUDING A CHURCH, SYNAGOGUE, PARSONAGE, RECTORY,
- 10 CONVENT, AND PARISH HOME;
- 11 (VII) A LICENSED ASSISTED LIVING FACILITY OR NURSING HOME;
- 12 (VIII) A BUILDING ORIGINALLY DESIGNED AND CONSTRUCTED TO CONTAIN ONLY 2
- 13 DWELLING UNITS, ONE OF WHICH THE OWNER CURRENTLY OCCUPIES AS A PRINCIPAL
- 14 RESIDENCE;
- 15 (IX) AN ACCESSORY APARTMENT;
- 16 (X) THE POSSESSION OF A LANDLORD WHO OWNS 5 OR FEWER RENTAL UNITS WITHIN THE
- 17 COUNTY; AND IS EITHER (1) A NATURAL PERSON, OR (2) THE TRUST OR ESTATE OF A
- 18 DECEDENT; AND
- 19 (XI) A BUILDING FINANCED WITH LOCAL, STATE OR FEDERAL TAX CREDITS FOR THE
- 20 PURPOSES OF CREATING AFFORDABLE HOUSING AS LONG AS THOSE UNITS ARE STILL
- 21 SUBJECT TO AN AFFORDABILITY REQUIREMENT.

22 (2) *EXPIRATION OF EXEMPTION.* AN EXEMPTION EXPIRES WHEN THE CONDITIONS ENTITLING  
23 THE UNIT OR FACILITY TO AN EXEMPTION CEASE TO EXIST.

24 (F) FEES.

- 25 (1) A LANDLORD SHALL PROMINENTLY PUBLISH ALL PERMISSIBLE FEES AND CHARGES ON THE
- 26 PROPERTY’S WEBSITE IN CONNECTION WITH EACH REGULATED UNIT OFFERED FOR RENT
- 27 AND SHALL PROVIDE A COPY OF SAME TO EACH PROSPECTIVE TENANT PRIOR TO ANY
- 28 APPLICATION FOR A REGULATED RENTAL UNIT BEING ACCEPTED.

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30 **SECTION 17.1019. SEVERABILITY.**

31 THE PROVISIONS OF THIS SUBTITLE ARE SEVERABLE AND, IF ANY PROVISION, SENTENCE, CLAUSE,  
32 SECTION OR PART THEREOF IS HELD ILLEGAL, INVALID OR UNCONSTITUTIONAL, OR INAPPLICABLE  
33 TO ANY PERSON OR CIRCUMSTANCE, SUCH ILLEGALITY, INVALIDITY, UNCONSTITUTIONALITY OR



1 INAPPLICABILITY SHALL NOT AFFECT OR IMPAIR ANY OF THE REMAINING PROVISIONS,  
2 SENTENCES, CLAUSES, SECTIONS OR PARTS OF THIS SUBTITLE OR THEIR APPLICATION TO OTHER  
3 PERSONS AND CIRCUMSTANCES. IT IS HEREBY DECLARED TO BE THE LEGISLATIVE INTENT THAT  
4 THIS SUBTITLE WOULD HAVE BEEN ADOPTED IF SUCH ILLEGAL, INVALID OR UNCONSTITUTIONAL  
5 PROVISION, SENTENCE, CLAUSE, SECTION OR PART HAD NOT BEEN INCLUDED THEREIN, AND IF  
6 PERSONS OR CIRCUMSTANCES TO WHICH THE SUBTITLE OR ANY PART THEREOF IS INAPPLICABLE  
7 HAD BEEN SPECIFICALLY EXEMPTED THEREFROM.

8

9 ***Section 2. And Be It Further Enacted*** by the County Council of Howard County, Maryland,  
10 *that the County Executive shall establish a work group by Executive Order that shall study the*  
11 *effectiveness of the rent stabilization provisions added by this Act. The workgroup shall*  
12 *complete their study and provide a report and recommendation to the County Executive by June*  
13 *30, 2027.*

14

15 ***Section 3. And Be It Further Enacted*** by the County Council of Howard County, Maryland that  
16 *Section 17.1018 of this Act shall remain effective through December 31, 2027 and, on January 1,*  
17 *2028, Section 17.1018 of this Act shall be abrogated and of no further force and effect.*

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19 ***Section 4. And Be It Further Enacted*** by the County Council of Howard County, Maryland,  
20 *that this Act shall become effective 61 days after its enactment.*