

**Committee:** PS

Committee Review: At a future date

**Staff:** Ludeen McCartney-Green, Legislative Attorney **Purpose:** To receive testimony – no vote expected

**Keywords:** #consumerprotectionforrenters

AGENDA ITEM #2 March 4, 2025 **Public Hearing** 

#### **SUBJECT**

Bill 6-25, Consumer Protection – Defective Tenancies as Deceptive Trade Practices

Lead Sponsor: Councilmember Mink

Cosponsors: Council President Stewart, Council Vice President Jawando, and Councilmember Luedtke

#### **EXPECTED ATTENDEES**

Members of the Public

#### **COUNCIL DECISION POINTS & COMMITTEE RECOMMENDATION**

N/A

# **DESCRIPTION/ISSUE**

Bill 6-25 would:

- (1) expand the definition of "person" to include a landlord;
- (2) clarify consumer goods and services include rental housing;
- (3) remove the exemption for defective tenancies or complaints related to landlord-tenant matters;
- (4) clarify the enforcement and penalties under Chapter 11 and Chapter 29; and
- (5) generally amend County law related to consumer protection.

#### **SUMMARY OF KEY DISCUSSION POINTS**

N/A

#### **This report contains:**

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#### MEMORANDUM

TO: County Council

FROM: Ludeen McCartney-Green, Legislative Attorney

SUBJECT: Bill 6-25, Consumer Protection – Defective Tenancies as Defective Trade

Practice

PURPOSE: Public Hearing – to receive public testimony

Bill 6-25, Consumer Protection – Defective Tenancies as Defective Trade Practice, sponsored by Councilmember Mink and cosponsored by Council President Stewart, Council Vice President Jawando, and Councilmember Luedtke, is scheduled to be introduced on February 11, 2025. A public hearing is tentatively scheduled for March 4 at 1:30 p.m. A Public Safety Committee worksession is scheduled for March 17.

#### Bill 6-25 would:

- (1) expand the definition of "person" to include a landlord;
- (2) clarify consumer goods and services include rental housing;
- (3) remove the exemption for defective tenancies or complaints related to landlord-tenant matters;
- (4) clarify the enforcement and penalties under Chapter 11 and Chapter 29; and
- (5) generally amend County law related to consumer protection.

#### **PURPOSE**

Many renters have faced tremendous challenges regarding unfair or deceptive trade practices by corporate and private landlords, including unfit rental housing, amenities not as advertised, failure to repair essential building services, imposition of junk fees, and chronic housing violations. The purpose of this bill is to implement stronger protections for renters under the County's consumer protection laws.

#### BILL SPECIFICS

Bill 6-25 would expand the Office of Consumer Protection's authority to investigate and enforce consumer protection laws in landlord-tenant matters that may include unfair or deceptive

<sup>&</sup>lt;sup>1</sup>#consumerprotectionforrenters

trade practices. The bill removes the existing exemption under Section 11-5 that previously excluded "defective tenancies" under the scope of consumer protection.

Further, a landlord would now be considered a "merchant." A merchant is defined as, "[a]ny person who offers or makes available to consumers, either directly or indirectly, consumer goods or services." The bill defines "person" as "[a]n individual, proprietor, **landlord**, partnership, corporation, firm, cooperative, association, or any other group of individuals or legal entity, however organized."

Lastly, the bill cleans up and modifies the enforcement and penalties under Chapter 11 and Chapter 29. For Chapter 11, a violation of the Chapter would subject a person to any of the following: administrative fine, Class A civil citation, enforcement order, and up to some type of equitable relief granted by a court. If a civil action is pursued against the individual, and the County prevails, the County may recoup costs and attorney's fees.

This packet contains:

Bill 6-25

Circle #

\*The Fiscal Impact Statement, Economic Impact Statement, Climate Assessment, and Racial Equity & Social Justice Impact Statements were not available at the time of publication of this staff report.

Bill No.	6-25			
Concerning: 0	Consumer	Prot	ection	
Defective	Tenancies	as	Decep	tive
Trade Pra	ctices			
Revised: 1/2	28/2025	Dra	ft No	2
Introduced:	February 1	2, 20	25	
Expires:	December	7, 20	26	
Enacted:				
Executive:				
Effective:				
Sunset Date:				
Ch. [#] Laws of Mont. Co. [year]				

# COUNTY COUNCIL FOR MONTGOMERY COUNTY, MARYLAND

Luedtke

Lead Sponsor: Councilmember Mink
Cosponsors: Council President Stewart, Council Vice President Jawando, and Councilmember

## AN ACT to:

- (1) expand the definition of "person" to include a landlord;
- (2) clarify consumer goods and services include rental housing;
- (3) remove the exemption for defective tenancies or complaints related to landlord-tenant matters;
- (4) clarify the enforcement and penalties under Chapter 11 and Chapter 29; and
- (5) generally amend County law related to consumer protection.

## By amending

Montgomery County Code Chapter 11, Consumer Protection Sections 11-1, 11-4, 11-5, 11-10, and 11-11

Chapter 29, Landlord-Tenant Relations

Section 29-8

The County Council for Montgomery County, Maryland approves the following Act:

1	Sec. 1. Sections 11-1, 11-4, 11-5, 11-10, 11-11, and 29-8 are amended as
2	follows:
3	11-1. Definitions.
4	In this Chapter, the following words and phrases have the following meanings:
5	Consumer: A purchaser, lessee, or recipient, or prospective purchaser, lessee or
6	recipient of consumer goods or services, including a co-obligor or surety.
7	Consumer goods or services: Real estate, including rental housing; goods[,]
8	services[,]; credit[,]; debts[,]; or obligations that are primarily for personal
9	household, family or agricultural purposes.
10	Merchant: Any person who offers or makes available to consumers, either
11	directly or indirectly, consumer goods or services.
12	* * *
13	Person: An individual, proprietor, landlord, partnership, corporation, firm
14	cooperative, association, or any other group of individuals or legal entity
15	however organized.
16	* * *
17	Real estate: Any leasehold or other tangible interest in residential real property.
18	dwelling, building, or other structure located on residential real property
19	including a condominium unit.
20	11-4. Deceptive trade practices.
21	A merchant must not engage in a deceptive, unfair, or unconscionable trade
22	practice, whether or not any specific consumer has, in fact, been misled, deceived, or
23	damaged thereby. Deceptive, unfair, or unconscionable trade practices include:
24	* * *
25	(d) a representation that consumer goods or services are of a particular
26	standard, quality, grade, style, or model, if they are of another;
27	(e) a misrepresentation as to a material fact that has a tendency to mislead;

28	(f)	a failure to state a material fact if the failure deceives or tends to deceive;
29		* * *
30	(y)	taking payment for goods or services without delivering the goods or
31		performing the services; or
32		* * *
33	11-5. Exem	ptions from chapter.
34	This	chapter does not apply to:
35	(a)	other than practicing or acting without a license, professional services
36		rendered by any certified public accountants, architects, clergymen,
37		professional engineers, lawyers, veterinarians, insurance agents and
38		brokers licensed by the state, Christian Science practitioners, land
39		surveyors and property line surveyors, optometrists, physical therapists,
40		podiatrists, psychologists, and medical and dental practitioners, engaging
41		in their respective professional activities;
42	(b)	any television or radio broadcasting station or any publisher or printer of
43		a newspaper, magazine, or other form of printed advertising who
44		broadcasts, publishes, or prints an advertisement which violates this
45		Chapter, except insofar as the station or publisher or printer engages in a
46		deceptive or unconscionable practice in the sale or offering for sale of its
47		own goods or services or knows that the advertising violates this Chapter;
48	(c)	public utility companies to the extent that the company's services and
49		operations are regulated by the state Public Service Commission; and
50	[(d)	defective tenancies or other complaints concerning any condition in
51		rental housing which arises out of a landlord-tenant relationship and
52		constitutes a violation of Chapter 29; and]
53	[(e)] <u>(d)</u>	the sale of real estate, directly or indirectly, by any owner-occupant of the
54		real estate, except as provided in Section 40-14.

55	11-10. Aam	linistrative nearing.
56		* * *
57	(g)	In addition to the requirements of Section 2A-10, if the hearing officer
58		finds by a preponderance of the evidence that a person has violated this
59		Chapter, the hearing officer may order the violator to:
60		* * *
61		(5) pay a civil penalty [authorized under Section 11-11] of not more
62		than \$1,000 for each violation; or
63		* * *
64	11-11. Enfo	orcement and penalties.
65	(a)	[A person who violates this Chapter is subject to a civil penalty under
66		Section 11-10 of not more than \$1,000 for each violation or the penalty
67		for a Class A violation. If the violation is enforced as a Class A civil
68		violation, the]
69		Civil citation. A person who violates this Chapter is subject to a Class A
70		violation, with a maximum penalty [is \$1,000 rather than the penalty] set
71		under Section 1-19.
72	(b)	Enforcement of department orders. The Director may bring an action in
73		any court with jurisdiction to [recover a civil penalty, enjoin any violation
74		of this Chapter, or] enforce any order, decision, summons or subpoena
75		issued under this Chapter.
76	(c)	Civil action. The Director may bring a civil action [In any action the
77		Director brings] to enforce this Chapter[, the Director] and may seek
78		damages, restitution, the posting of a bond, or any other available legal or
79		equitable relief, including declaratory, preliminary, temporary, or

permanent relief.

80

81	<u>(d)</u>	Recovery of attorney's fees. If the County is the prevailing party in any
82		enforcement action under subsection (b) or (c), the County may recover
83		costs and reasonable attorney's fees.
84	29-8. Enfor	cement procedure.
85		* * *
86	<u>(c)</u>	Recovery of attorney's fees. If the County is the prevailing party in any
87		enforcement action, the County may recover costs and reasonable
88		attorney's fees.