

M E M O R A N D U M

March 12, 2025

TO: Public Safety Committee Members

FROM: Ludeen McCartney-Green, Legislative Attorney

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

PURPOSE: Worksession – to receive a committee recommendation

Expected Attendees

Representatives of the Executive Branch

Bill 6-25, Consumer Protection – Defective Tenancies as Deceptive Trade Practice, sponsored by Councilmember Mink and cosponsored by Council President Stewart, Council Vice President Jawando, and Councilmember Luedtke, was introduced on February 11, 2025. A public hearing was held on March 4 at 1:30 p.m.¹ 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.

¹#consumerprotectionforrenters

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 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.

LEGISLATIVE HISTORY

The Council's legislative history reflects that since the creation of the Office of Consumer Protection, in 1971, the consumer protection law exempted matters related to real estate, which included sale of new construction and rental housing. However, two years later, in 1973, the scope of the law was expanded to include real estate due to the significant increase of complaints involving the sale of new homes, but the law continued to exempt OCP's authority to investigate defective tenancies in rental housing. *See*, County Executive Memorandum dated March 20, 1973. Fifty-two years later, Bill 6-25 seeks to further expand the scope to landlord-tenant matters under the OCP due to the increased complaints involving landlords' deceptive trade practices.

SUMMARY OF IMPACT STATEMENTS

Fiscal impact. The County Council has not received the Fiscal Impact Statement for Bill 6-25. On March 4, 2025, the Office of Management and Budget requested an extension through March 18, 2025 to provide the Fiscal Impact Statement.© 39.

Economic impact. The Office of Legislative Oversight (OLO) anticipates that Bill 6-25 would have an **indeterminate impact on economic conditions** in the County in terms of the Council's priority indicators."

OLO identifies that while "the Bill would likely affect certain landlords with histories of unresolved housing code violations by increasing their operating expenses", that they would likely pass the costs of these onto the consumers in the form of increased rents and fees.

OLO concludes that it "lacks sufficient data to estimate the Bill's overall economic impact, given its potentially conflicting effects on certain business and residents and uncertainty

surrounding [the Office of Consumer Protection’s] staffing capacity to implement the new law.” © 10.

Racial equity and social justice impact. OLO “anticipates Bill 6-25 could have a **positive impact on racial equity and social justice** in the County.” OLO argues that “Black and Latinx tenants would disproportionately benefit” from the Bill; however, the extent of benefit would depend on how the Bill is implemented. © 6.

Climate assessment. OLO “anticipates Bill 6-25 will have **no impact on the County’s contribution to addressing climate change** as the Bill is proposing a new tool that will assist tenants in making complaints about defective tenancies.”© 15.

PUBLIC HEARING TESTIMONY

There were 13 speakers that testified before the Council on March 4. We received an additional seven pieces of written testimony, both in support and opposition of Bill 6-25.

Ken Hartman, on behalf of the County Executive, testified at the public hearing in support of Bill 6-25. Specifically, he stated that “renters are consumers” and should “benefit from the same protections.” Mr. Hartman continued that renters deserve “protection against unfair practices, deceptive agreements, and unsafe living conditions.”

Several individuals and organizations submitted testimony and spoke in support of the bill. They noted that the bill would help close loopholes, further hold landlords accountable, ensure that tenants lived in habitable conditions free from infestations and ensure that landlords could no longer ignore repeated repair requests from its tenants. © 21.

Property management companies and advocacy groups (including AOBA (c) 21 and Donohoe (c) 25) submitted testimony and spoke in opposition to the bill, noting that the Bill is unnecessary, as Chapter 29 of the County Code already provides sufficient protections for tenants. Additionally, opponents argued that the Bill will harm housing development, and that the Council should wait to act on the legislation until the effects of other recent tenant protection laws are assessed. Konstantin Tomenko, a small landlord, noted that the bill would disproportionately affect small landlords who do not have the same legal resources as large landlords. © 38.

ISSUES FOR COMMITTEE’S DISCUSSION

1. What legal recourse does a tenant and DHCA have to address housing issues with a landlord?

The committee may wish to ask DHCA to provide a general overview regarding ways a tenant may address housing violations that involve unsafe and unsanitary conditions, including any challenges DHCA may face. The discussion may incorporate the following:

- *Housing Code Enforcement* – violations covered by Chapter 29 of the County Code
- *Office of Landlord Tenant Affairs (OLTA)* – mediate landlord-tenant issues

- *Commission on Landlord & Tenant (COLTA)* – quasi judicial administrative hearings
- *District Court* – private cause of actions by a tenant (civil action or rent escrow); DHCA may also file civil lawsuit against the landlord.
- *Maryland Attorney General* - handles disputes between landlords and tenants.

Further, the Committee may want DHCA to expound upon the ratio between the number of cases that received extensions in District Court to resolve violations versus a Court issuing civil penalties.

2. What is the role of the OCP?

The Committee may wish to ask OCP's current process and procedure for investigating a complaint, under Chapter 11, for unlawful trade practices. As a reference, OCP has a FAQ on its webpage.²

3. Does the OCP have the capacity to implement and enforce the bill under the expanded scope, including sufficient personnel, outreach and education efforts, potential timeline to resolve a complaint, etc.

The Committee may wish to discuss OCP's expanded role to administer and implement complaints that involve a landlord (deemed a merchant) and defective tenancies.

A defective tenancy means any condition in rental housing that violates a term of the lease, this Chapter (Chapter 29), or any other law or regulation.³ Specifically, under Chapter 11, it may include:

- a representation that consumer goods or services are of a particular standard, quality, grade, style, or model, if they are of another;
- a misrepresentation as to a material fact that has a tendency to mislead;
- a failure to state a material fact if the failure deceives or tends to deceive;
- taking payment for goods or services without delivering the goods or performing the services;

OCP provided Council staff a potential caseload chart based on the number of units on DHCA's troubled property list or DHCA's FY24 OLTA cases, if the same cases were assigned to OCP, the chart illustrates the impact of the increased case load. See page © 17.

Next steps: Whether the PS Committee recommends enactment of Bill 6-25, as introduced?

This packet contains:

Bill 6-25
Racial Equity Social Impact
Economic Statement

Circle

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² Office of Consumer Protection FAQ: <https://www.montgomerycountymd.gov/ocp/faqs/index.html#1>

³ Montgomery County Code Section 29-1.

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Bill No. 6-25
Concerning: Consumer Protection –
Defective Tenancies as Deceptive
Trade Practices
Revised: 1/28/2025 Draft No. 2
Introduced: February 12, 2025
Expires: December 7, 2026
Enacted: _____
Executive: _____
Effective: _____
Sunset Date: _____
Ch. [#], Laws of Mont. Co. [year]

COUNTY COUNCIL FOR MONTGOMERY COUNTY, MARYLAND

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

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

Boldface	<i>Heading or defined term.</i>
<u>Underlining</u>	<i>Added to existing law by original bill.</i>
[Single boldface brackets]	<i>Deleted from existing law by original bill.</i>
<u>Double underlining</u>	<i>Added by amendment.</i>
[[Double boldface brackets]]	<i>Deleted from existing law or the bill by amendment.</i>
* * *	<i>Existing law unaffected by bill.</i>

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

Sec. 1. Sections 11-1, 11-4, 11-5, 11-10, 11-11, and 29-8 are amended as follows:

11-1. Definitions.

In this Chapter, the following words and phrases have the following meanings:

Consumer: A purchaser, lessee, or recipient, or prospective purchaser, lessee or recipient of consumer goods or services, including a co-obligor or surety.

Consumer goods or services: Real estate, including rental housing; goods[,]; services[,]; credit[,]; debts[,]; or obligations that are primarily for personal, household, family or agricultural purposes.

Merchant: Any person who offers or makes available to consumers, either directly or indirectly, consumer goods or services.

* * *

Person: An individual, proprietor, landlord, partnership, corporation, firm, cooperative, association, or any other group of individuals or legal entity, however organized.

* * *

Real estate: Any leasehold or other tangible interest in residential real property, dwelling, building, or other structure located on residential real property, including a condominium unit.

11-4. Deceptive trade practices.

A merchant must not engage in a deceptive, unfair, or unconscionable trade practice, whether or not any specific consumer has, in fact, been misled, deceived, or damaged thereby. Deceptive, unfair, or unconscionable trade practices include:

* * *

(d) a representation that consumer goods or services are of a particular standard, quality, grade, style, or model, if they are of another;

(e) a misrepresentation as to a material fact that has a tendency to mislead;

(f) a failure to state a material fact if the failure deceives or tends to deceive;

* * *

(y) taking payment for goods or services without delivering the goods or performing the services; or

* * *

11-5. Exemptions from chapter.

This chapter does not apply to:

(a) other than practicing or acting without a license, professional services rendered by any certified public accountants, architects, clergymen, professional engineers, lawyers, veterinarians, insurance agents and brokers licensed by the state, Christian Science practitioners, land surveyors and property line surveyors, optometrists, physical therapists, podiatrists, psychologists, and medical and dental practitioners, engaging in their respective professional activities;

(b) any television or radio broadcasting station or any publisher or printer of a newspaper, magazine, or other form of printed advertising who broadcasts, publishes, or prints an advertisement which violates this Chapter, except insofar as the station or publisher or printer engages in a deceptive or unconscionable practice in the sale or offering for sale of its own goods or services or knows that the advertising violates this Chapter;

(c) public utility companies to the extent that the company's services and operations are regulated by the state Public Service Commission; and

[(d) defective tenancies or other complaints concerning any condition in rental housing which arises out of a landlord-tenant relationship and constitutes a violation of Chapter 29; and]

[(e)](d) the sale of real estate, directly or indirectly, by any owner-occupant of the real estate, except as provided in Section 40-14.

11-10. Administrative hearing.

* * *

- (g) In addition to the requirements of Section 2A-10, if the hearing officer finds by a preponderance of the evidence that a person has violated this Chapter, the hearing officer may order the violator to:

* * *

- (5) pay a civil penalty [authorized under Section 11-11] of not more than \$1,000 for each violation; or

* * *

11-11. Enforcement and penalties.

- (a) [A person who violates this Chapter is subject to a civil penalty under Section 11-10 of not more than \$1,000 for each violation or the penalty for a Class A violation. If the violation is enforced as a Class A civil violation, the]

Civil citation. A person who violates this Chapter is subject to a Class A violation, with a maximum penalty [is \$1,000 rather than the penalty] set under Section 1-19.

- (b) Enforcement of department orders. The Director may bring an action in any court with jurisdiction to [recover a civil penalty, enjoin any violation of this Chapter, or] enforce any order, decision, summons or subpoena issued under this Chapter.

- (c) Civil action. The Director may bring a civil action [In any action the Director brings] to enforce this Chapter[, the Director] and may seek damages, restitution, the posting of a bond, or any other available legal or equitable relief, including declaratory, preliminary, temporary, or permanent relief.

(d) Recovery of attorney's fees. If the County is the prevailing party in any enforcement action under subsection (b) or (c), the County may recover costs and reasonable attorney's fees.

29-8. Enforcement procedure.

* * *

(c) Recovery of attorney's fees. If the County is the prevailing party in any enforcement action, the County may recover costs and reasonable attorney's fees.

Racial Equity and Social Justice (RESJ) Impact Statement

Office of Legislative Oversight

BILL 6-25: CONSUMER PROTECTION – DEFECTIVE TENANCIES AS DECEPTIVE TRADE PRACTICES

SUMMARY

The Office of Legislative Oversight (OLO) anticipates Bill 6-25 could have a positive impact on racial equity and social justice (RESJ) in the County. Black and Latinx tenants would disproportionately benefit from improvements to addressing housing complaints. However, the actual RESJ impact of this Bill will depend on how it is implemented and if it is more effective than existing processes for addressing tenant complaints.

PURPOSE OF RESJ IMPACT STATEMENTS

RESJ impact statements (RESJIS) evaluate the anticipated impact of legislation on racial equity and social justice in the County. RESJ is a **process** that focuses on centering the needs, leadership, and power of Black, Indigenous, and other people of color (BIPOC) and communities with low incomes. RESJ is also a **goal** of eliminating racial and social inequities. Applying a RESJ lens is important to achieve RESJ.¹ This involves seeing, thinking, and working differently to address the racial and social inequities that cause racial and social disparities.²

PURPOSE OF BILL 6-25

Currently, under the County's consumer protection laws, "defective tenancies" are excluded from the scope of consumer protection.³ Instead, tenants can file formal complaints with the Department of Housing and Community Affairs (DHCA) regarding housing code violations and violations of landlord-tenant laws.⁴

Bill 6-25 seeks to strengthen protections for renters by expanding the Office of Consumer Protection's authority to "investigate and enforce consumer protection laws in landlord-tenant matters that may include unfair or deceptive trade practices." If enacted, Bill 6-25 would remove the existing exemption under County Code that excludes "defective tenancies" from the scope of consumer protection.⁵

According to the Bill's introduction packet, unfair or deceptive trade practices by landlords include unfit rental housing, amenities not as advertised, failure to repair essential building services, imposition of junk fees, and chronic housing violations.⁶ According to the Bill's sponsors, Bill 6-25 seeks to develop new tools for compliance to housing code violations and give renters meaningful recourse when violations occur.⁷

The County Council introduced Bill 6-25, Consumer Protection – Defective Tenancies as Deceptive Trade Practices, on February 11, 2025.

In March 2024, OLO published a RESJIS for Bill 7-24, Landlord-Tenant Relations – Tenant Protection and Notification.⁸ Please refer to this RESJIS for background on housing quality and racial equity.

RESJ Impact Statement

Bill 6-25

ANTICIPATED RESJ IMPACTS

Current process for addressing housing issues. To understand the RESJ impact of Bill 6-25, it is helpful to understand existing processes for tenants to address housing issues with landlords. DHCA primarily addresses rental housing issues via tenant complaints. The following programs in DHCA receive and address tenant complaints:

- **Code Enforcement:** DHCA’s Code Enforcement program is responsible for enforcing County laws that set standards for “safe, decent and clean housing.”⁹ Violations of these laws are typically referred to as housing code violations. Examples of urgent code violations include no heat or air conditioning, severe infestations, and excessive mold, among others.¹⁰ Tenants who are experiencing code violations can [file a complaint](#) with the Code Enforcement program online, by phone, or by mail.¹¹ Code Enforcement inspectors are responsible for investigating complaints and working with landlords to address housing code violations. Inspectors can issue citations to landlords for code violations. If housing code violations are unresolved, DCHA can sue landlords in District Court.
- **Office of Landlord-Tenant Affairs:** The Office of Landlord-Tenant Affairs (OLTA) is responsible for enforcing the County’s landlord-tenant (LLT) laws.¹² LLT laws outline the rights and responsibilities of landlords and tenants in the County.¹³ These include guidelines on security deposits, rent increase notices, and lease termination, among others. Violations of LLT laws or lease terms are referred to as defective tenancies.¹⁴ Tenants who are experiencing defective tenancies can [file a complaint](#) with OLTA.¹⁵ LLT investigators are responsible for investigating complaints and mediating disputes between landlords and tenants. If cases are unresolved, they are referred to the Commission on Landlord-Tenant Affairs. The Commission may hold a hearing on the case or dismiss it.¹⁶

RESJ impact of Bill 6-25. To consider the anticipated impact of Bill 6-25 on RESJ in the County, OLO recommends the consideration of two related questions:

- Who would primarily benefit or be burdened by this bill?
- What racial and social inequities could passage of this bill weaken or strengthen?

For the first question, OLO considered the demographics of renters in the County. Renters will primarily benefit from adding defective tenancies to the scope of consumer protection. Table 1 shows that Black and Latinx households are overrepresented among renter households in the County. Conversely, White, and to a lesser extent, Asian households are underrepresented among renter households. Native American and Pacific Islander households are proportionately represented.

Table 1: Percent of Renter-Occupied Households by Race and Ethnicity, Montgomery County, MD

Race and ethnicity	Renter-Occupied Households	All Households
Asian	11.5	14.4
Black	30.7	18.7
Native American	0.4	0.4
Pacific Islander	0.1	0.1
White	37.2	50.9
Latinx	19.9	15.2

Source: [Table S2502](#), 2023 American Community Survey 5-Year Estimates, Census Bureau.

RESJ Impact Statement

Bill 6-25

For the second question, OLO considered how Bill 6-25 could impact racial inequities and disparities in housing quality. As described in the RESJ Policy Handbook, because of “limit[ed] housing and economic opportunities for BIPOC families, BIPOC residents live in substandard housing conditions at higher rates than White residents.”¹⁷ This likely causes BIPOC community members to experience higher rates of housing code violations and defective tenancies.

Available data suggests existing tools for addressing tenant complaints may be ineffective. For instance, while DHCA sued landlords for a total of \$1.5 million in unpaid fines for code violations in FY 2024, they only recovered \$100,375.¹⁸ In discussions with OLO, personnel with the Office of Consumer Protection (OCP) noted they currently do not have sufficient staffing to add investigating and enforcing defective tenancies to their scope of work.¹⁹ Therefore, OLO cannot assess how Bill 6-25 would improve upon existing processes for addressing tenant complaints and how this could impact racial inequities and disparities in housing quality.

Conclusion. OLO anticipates Bill 6-25 could have a positive impact on RESJ in the County. Black and Latinx tenants would disproportionately benefit from improvements to addressing housing complaints. However, the actual RESJ impact of this Bill will depend on how it is implemented and if it is more effective than existing processes for addressing tenant complaints.

RECOMMENDED AMENDMENTS

The Racial Equity and Social Justice Act requires OLO to consider whether recommended amendments to bills aimed at narrowing racial and social inequities are warranted in developing RESJ impact statements.²⁰ OLO finds Bill 6-25 could have a positive impact on RESJ in the County. As such, OLO does not offer recommended amendments.

CAVEATS

Two caveats to this racial equity and social justice impact statement should be noted. First, predicting the impact of legislation on racial equity and social justice is a challenging analytical endeavor due to data limitations, uncertainty, and other factors. Second, this RESJ impact statement is intended to inform the legislative process rather than determine whether the Council should enact legislation. Thus, any conclusion made in this statement does not represent OLO's endorsement of, or objection to, the bill under consideration.

CONTRIBUTIONS

OLO staffer Janmarie Peña, Performance Management and Data Analyst, drafted this RESJ impact statement.

¹ Definition of racial equity and social justice adopted from Marlysa Gamblin et al., “[Applying Racial Equity to U.S. Federal Nutrition Programs](#),” Bread for the World and [Racial Equity Tools](#).

² Ibid.

³ [Montgomery County Code § 11-5](#).

⁴ [Tenant Rights and Responsibilities](#), Department of Housing and Community Affairs.

⁵ [Introduction Staff Report for Bill 6-25](#), Montgomery County Council, Introduced February 11, 2025.

⁶ Ibid.

⁷ “[Montgomery County Councilmember Kristin Mink, Council Vice President Will Jawando, County Executive Marc Elrich, Others Hold Press Conference with Tenant Leaders for Introduction of Bill 6-25 to Hold Landlords Accountable for Chronic Code Violations](#),” Montgomery County Council, February 11, 2025.

RESJ Impact Statement

Bill 6-25

⁸ [RESJIS for Bill 7-24](#), Office of Legislative Oversight, March 25, 2024.

⁹ [Housing Code Enforcement](#), Department of Housing and Community Affairs.

¹⁰ [Housing & Building Code Enforcement Handbook](#), Department of Housing and Community Affairs, June 30, 2023, pg. 34.

¹¹ “How to File a Complaint,” [Housing Code Enforcement](#), Department of Housing and Community Affairs.

¹² [Office of Landlord-Tenant Affairs](#), Department of Housing and Community Affairs.

¹³ [Landlord-Tenant Handbook](#), Department of Housing and Community Affairs, January 2024.

¹⁴ [Montgomery County Code § 29-1](#).

¹⁵ [The Complaint Process](#), Department of Housing and Community Affairs.

¹⁶ Ibid.

¹⁷ Elaine Bonner-Tompkins, et al., OLO Report 2024-11, [Racial Equity and Social Justice Policy Handbook: Land Use, Housing, and Economic Development](#), Office of Legislative Oversight, June 18, 2024, pgs. 37-38.

¹⁸ “Montgomery County Councilmember Kristin Mink, Council Vice President Will Jawando, County Executive Marc Elrich, Others Hold Press Conference with Tenant Leaders for Introduction of Bill 6-25 to Hold Landlords Accountable for Chronic Code Violations”

¹⁹ OLO conversations with Office of Consumer Protection staff on February 14, 2025.

²⁰ Bill 27-19, Administration – Human Rights – Office of Racial Equity and Social Justice – Racial Equity and Social Justice Advisory Committee – Established, Montgomery County Council

Economic Impact Statement

Montgomery County, Maryland

Bill 6-25

Consumer Protection – Defective Tenancies as Deceptive Trade Practices

SUMMARY

The Office of Legislative Oversight (OLO) anticipates that Bill 6-25 would have an indeterminate impact on economic conditions in the County in terms of the Council's priority economic indicators. The Bill would expand the authority of the Office of Consumer Protection (OCP) to investigate and enforce consumer protection laws in landlord-tenant matters. The actual economic impacts of this Bill would depend on its implementation and effectiveness in improving existing processes for addressing tenant complaints. If the policy change improves how tenant complaints are addressed, the Bill would likely affect certain landlords with histories of unresolved housing code violations by increasing their operating expenses associated with providing advertised amenities, completing essential repairs, and meeting compliance requirements. To protect their business incomes, landlords would likely offset these costs by increasing rents. Additionally, County-based maintenance and repair businesses could see increased revenues and incomes from additional contracts.

The Bill would also affect tenants of affected properties. If landlords absorb the costs of required repairs and maintenance, the policy change could help ensure that tenants receive housing that aligns with the rents they have been paying. However, OLO expects most affected landlords to pass these costs onto tenants, likely leading to higher rents and fees that increase household expenses and reduce net household incomes.

Ultimately, OLO lacks sufficient data to estimate the Bill's overall economic impact, given its potentially conflicting effects on certain businesses and residents and uncertainty surrounding OCP's staffing capacity to implement the new law.

BACKGROUND AND PURPOSE OF BILL 6-25

Unfair or deceptive trade practices by landlords—hereinafter “defective tenancies”—include failing to provide advertised amenities, neglecting essential repairs, imposing junk fees, or committing chronic housing violations.¹ Under the County's current consumer protection laws, defective tenancies are excluded under the scope of consumer protection.² Instead, tenants may file formal complaints with the Department of Housing and Community Affairs (DHCA) for resolution.³

The goal of Bill 6-25 is to “implement stronger protections for renters under the County's consumer protection laws.” It aims to do so by expanding OCP's authority to “investigate and enforce consumer protection laws in landlord-tenant matters that may include unfair or deceptive trade practices.”⁴ Specifically, the Bill would make the following changes to the County's Chapter 11 consumer protection laws:

¹ [Introduction Staff Report for Bill 6-25, Montgomery County Council, Introduced February 11, 2025.](#)

² [Montgomery County Code § 11-5](#), Consumer Protection, Exemptions from Chapter.

³ [Tenant Rights and Responsibilities, Department of Housing and Community Affairs.](#)

⁴ [Introduction Staff Report for Bill 6-25, Montgomery County Council, Introduced February 11, 2025.](#)

- Expand the scope of “consumer good or service” to include rental housing and “merchant” to include landlords;
- Remove the current exemption for “defective tenancies or other complaints concerning any condition in rental housing”; and
- Clarify enforcement and penalties.⁵

Bill 6-25, Consumer Protection – Defective Tenancies as Deceptive Trade Practices was introduced by the County Council on February 11, 2025.

INFORMATION SOURCES, METHODOLOGIES, AND ASSUMPTIONS

As required by 2-81B of the Montgomery County Code, this Economic Impact Statement evaluates the impacts of Bill 6-25 on residents and private organizations in relation to Council’s priority economic indicators. In doing so, it examines whether the Bill would have a net positive or negative impact on overall economic conditions in the County.⁶

To evaluate the Bill’s economic impacts on businesses and residents, this analysis identifies multifamily residential properties likely to be affected by examining those with histories of unresolved housing code violations using DHCA data. Additionally, it considers cost pass-through theory and relevant peer-reviewed studies on housing code enforcement cited below. No formal assumptions are made in this analysis.

VARIABLES

The primary variables that would affect the economic impacts of enacting Bill 6-25 are the following:

- Enforcement of County housing and consumer protection laws;
- Rents; and
- Total cost of repairs and maintenance.

IMPACTS

WORKFORCE ▪ TAXATION POLICY ▪ PROPERTY VALUES ▪ INCOMES ▪ OPERATING COSTS ▪ PRIVATE SECTOR CAPITAL INVESTMENT ▪ ECONOMIC DEVELOPMENT ▪ COMPETITIVENESS

Businesses, Non-Profits, Other Private Organizations

OLO anticipates that Bill 6-25 would have mixed impacts on certain private organizations in the County in terms of the Council’s priority economic indicators.

Importantly, the Bill would likely impact certain property owners and managers of multifamily rental properties in the County, if expanding OCP’s authority to include landlord-tenant matters improves existing processes for addressing tenant complaints. However, in discussions with OLO, OCP personnel noted that the agency

⁵ [Montgomery County Code § 11-5](#), Consumer Protection, Exemptions from Chapter.

⁶ [“Sec. 2-81B, Economic Impact Statements,”](#) Montgomery County Code.

currently does not have sufficient staffing to add investigating and enforcing defective tenancies to its scope of work.⁷ Therefore, OLO cannot determine whether the Bill would improve existing processes.

If the Bill improves these processes, it will likely affect property owners and managers of multifamily rental properties with histories of unresolved housing code violations. To estimate the number of such properties, OLO relied on DHCA's annual Troubled Properties reports.

Since FY2019, DHCA has published an annual report summarizing inspection findings and code enforcement outcomes for multifamily rental properties in the County. These reports classify properties as “troubled,” “at-risk” and “compliant.” While “DHCA achieves a high level of compliance from the owners and managers of multifamily rental properties without the need to issue citations to the landlords,” the reports identify properties that fail to complete repairs required by DHCA.⁸

Table 1 shows the total number of these properties each fiscal year since FY2019, along with their percentage of the County's approximately 715 multifamily rental properties.⁹

Table 1. Multifamily Rental Properties with Unresolved Code Violations, FY2019–FY2024¹⁰

Fiscal Year	Properties with Unresolved Repairs	Percentage
2024	90	13%
2023	39	5%
2022	30	4%
2021	20	3%
2020	19	3%
2019	19	3%

If expanding OCP's authority to include landlord-tenant matters improves how tenant complaints are addressed, the data suggests that a minority of multifamily rental properties—between 3% and 13%—would be affected. These properties would likely face higher operating expenses due to the need to provide advertised amenities, complete essential repairs, and meet compliance requirements. All else being equal, higher operating expenses

⁷ OLO conversation with Office of Consumer Protection staff on February 14, 2025.

⁸ Department of Housing and Community Affairs, “[Troubled Properties Report for FY24](#)” (Montgomery County Government, October 1, 2024).

⁹ Department of Housing and Community Affairs, “[Troubled and At-Risk Properties](#),” accessed March 3, 2025.

¹⁰ Department of Housing and Community Affairs. [Troubled Properties Report, FY2019–FY2024](#). Montgomery County Government, October 1, 2024.

would reduce business income. However, landlords would likely offset these costs by increasing rents.¹¹ Some of these properties may also see their property values increase.¹²

The Bill may also impact businesses in the building maintenance and repair services industry. If expanding OCP's authority to include landlord-tenant matters leads to more landlords completing essential repairs they might have otherwise deferred, County-based maintenance and repair businesses could see increased revenues and incomes from additional contracts.

Beyond these potential impacts, OLO does not expect the Bill to affect private organizations in terms of the Council's other priority indicators.

Residents

OLO anticipates that Bill 6-25 would have mixed impacts on certain residents in the County in terms of the Council's priority economic indicators.

If expanding OCP's authority to include landlord-tenant matters improves how tenant complaints are addressed, the Bill would likely affect tenants of multifamily rental properties with histories of unresolved housing code violations. OLO believes tenants could be affected in several ways.

On the one hand, some landlords who fail to provide promised amenities and maintain housing quality as required by lease agreements are effectively overcharging tenants by charging rents that do not reflect the actual condition of the units. As a result, tenants may be paying more than they should for the quality of housing that they receive, effectively making their housing costs unfairly higher. If landlords do not pass the costs of repairs and maintenance onto tenants, the Bill could help ensure that tenants receive housing that aligns with the rents they pay by requiring landlords to fulfill their contractual obligations.

On the other hand, OLO expects most affected landlords to pass the costs of repairs and maintenance onto tenants. As a result, the Bill would likely increase rents and fees for certain tenants, thereby increasing their nondiscretionary household expenses. All else being equal, this would reduce their net household incomes.

Beyond this potential impact, OLO does not expect the Bill to affect residents in terms of the Council's other priority indicators.

Net Impact

OLO anticipates that Bill 6-25 would have an indeterminate impact on economic conditions in the County in terms of the Council's priority economic indicators. As previously discussed, if the policy change improves how tenant complaints are addressed, the Bill would likely affect certain landlords with histories of unresolved housing code violations by increasing their operating expenses associated with providing advertised amenities, completing essential repairs, and meeting compliance requirements. To protect their business incomes, landlords would likely offset these costs by increasing rents. Additionally, County-based maintenance and repair businesses could see increased revenues and incomes from additional contracts.

¹¹ Robin Bartram, "[The Cost of Code Violations: How Building Codes Shape Residential Sales Prices and Rents](#)," *Housing Policy Debate* 29, no. 6 (November 2, 2019): 931–46; RBB Economics, "[Cost Pass-Through: Theory, Measurement, and Potential Policy Implications](#)" (Report prepared for the Office of Fair Trading, United Kingdom, June 17, 2014).

¹² Bartram, "The Cost of Code Violations."

The Bill would also affect tenants of affected properties. If landlords absorb the costs of required repairs and maintenance, the policy change could help ensure that tenants receive housing that aligns with the rents they have been paying. However, OLO expects most affected landlords to pass these costs onto tenants, likely leading to higher rents and fees that increase household expenses and reduce net household incomes.

Ultimately, OLO lacks sufficient data to estimate the Bill's overall economic impact, given its potentially conflicting effects on certain businesses and residents and uncertainty surrounding OCP's staffing capacity to implement the new law.

DISCUSSION ITEMS

Not applicable

CAVEATS

Two caveats to the economic analysis performed here should be noted. First, predicting the economic impacts of legislation is a challenging analytical endeavor due to data limitations, the multitude of causes of economic outcomes, economic shocks, uncertainty, and other factors. Second, the analysis performed here is intended to *inform* the legislative process, not determine whether the Council should enact legislation. Thus, any conclusion made in this statement does not represent OLO's endorsement of, or objection to, the Bill under consideration.

AUTHOR

Stephen Roblin (OLO) prepared this report.

Climate Assessment

Office of Legislative Oversight

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

SUMMARY

The Office of Legislative Oversight (OLO) anticipates that Bill 6-25 will have no impact on the County's contribution to addressing climate change as the Bill is proposing a new tool that will assist tenants in making complaints about defective tenancies.

BACKGROUND AND PURPOSE OF BILL 6-25

Currently under the County's consumer protection laws, "defective tenancies" are excluded under the scope of consumer protection.¹ Currently, tenants can file formal complaints with the Department of Housing and Community Affairs (DHCA) regarding housing code violations.²

Bill 6-25 seeks to strengthen protections for renters by expanding the Office of Consumer Protection's authority to "investigate and enforce consumer protection laws in landlord-tenant matters that may include unfair or deceptive trade practices."³ To do so, the Bill would remove the existing exemption under County Code that previously excluded "defective tenancies" under the scope of consumer protection.⁴ From a press release regarding the Bill, the proposed changes seek to develop new tools for compliance of housing code violations and to give renters meaningful recourse when violations occur.⁵

According to the Bill's introduction packet, unfair or deceptive trade practices by landlords includes unfit rental housing, amenities not as advertised, failure to repair essential building services, imposition of junk fees, and chronic housing violations.⁶

Bill 6-25, Consumer Protection – Defective Tenancies as Deceptive Trade Practices was introduced by the County Council on February 11, 2025.

ANTICIPATED IMPACTS

As the Bill is proposing a new tool that will assist tenants in making complaints about defective tenancies, OLO anticipates Bill 6-25 will have no impact on the County's contribution to addressing climate change, including the reduction and/or sequestration of greenhouse gas emissions, community resilience, and adaptive capacity.

RECOMMENDED AMENDMENTS

The Climate Assessment Act requires OLO to offer recommendations, such as amendments or other measures to mitigate any anticipated negative climate impacts.⁷ OLO does not offer recommendations or amendments as Bill 6-25 is likely to have no impact on the County's contribution to addressing climate change, including the reduction and/or sequestration of greenhouse gas emissions, community resilience, and adaptative capacity.

CAVEATS

OLO notes two caveats to this climate assessment. First, predicting the impacts of legislation upon climate change is a challenging analytical endeavor due to data limitations, uncertainty, and the broad, global nature of climate change. Second, the analysis performed here is intended to inform the legislative process, not determine whether the Council should enact legislation. Thus, any conclusion made in this statement does not represent OLO's endorsement of, or objection to, the bill under consideration.

PURPOSE OF CLIMATE ASSESSMENTS

The purpose of the Climate Assessments is to evaluate the anticipated impact of legislation on the County's contribution to addressing climate change. These climate assessments will provide the Council with a more thorough understanding of the potential climate impacts and implications of proposed legislation, at the County level. The scope of the Climate Assessments is limited to the County's contribution to addressing climate change, specifically upon the County's contribution to greenhouse gas emissions and how actions suggested by legislation could help improve the County's adaptative capacity to climate change, and therefore, increase community resilience.

While co-benefits such as health and cost savings may be discussed, the focus is on how proposed County bills may impact GHG emissions and community resilience.

CONTRIBUTIONS

OLO staffer Kaitlyn Simmons drafted this assessment.

¹ [Montgomery County Code § 11-5](#), Consumer Protection, Exemptions from Chapter, Accessed 2/17/2025.

² [Tenant Rights and Responsibilities](#), Department of Housing and Community Affairs, Accessed 2/17/2025.

³ [Introduction Staff Report for Bill 6-25](#), Montgomery County Council, Introduced February 11, 2025.

⁴ [Montgomery County Code § 11-5](#), Consumer Protection, Exemptions from Chapter, Accessed 2/17/2025.

⁵ [Montgomery County Councilmember Kristin Mink, Council Vice President Will Jawando, County Executive Marc Elrich, Others Hold Press Conference with Tenant Leaders for Introduction of Bill 6-25 to Hold Landlords Accountable for Chronic Code Violations](#), Montgomery County Government, February 11, 2025.

⁶ [Introduction Staff Report for Bill 6-25](#), Montgomery County Council, Introduced February 11, 2025.

⁷ Bill 3-22, Legislative Branch – Climate Assessments – Required, Montgomery County Council, Effective date October 24, 2022



OFFICE OF CONSUMER PROTECTION

Marc Elrich
County Executive

Eric S. Friedman
Director

March 11, 2025

TO: Ludeen McCartney-Green, Legislative Attorney

FROM: Eric Friedman, Director *Eric Friedman*

SUBJECT: Staff Packet for Bill 6-25

Thank you for taking the time to meet with us on Monday morning to discuss the preparation of the Staff Packet for Public Safety Committee discussion regarding Bill 6-25.

Below outlined is the potential case increase based on publicly available case data:

DCHA 2023 Troubled Property Units Max Unit Violations	Potential % of OCP cases based on unit violations	Potential Additional OCP Complaints	FY26 (FY25 numbers) Projected complaints with tenancy	FY26 (FY25 numbers) Complaints per Investigator/Year
3492	100%	3492	4692	587
	75%	2619	3819	477
	50%	1746	2946	368
	25%	873	2073	259
	10%	349.2	1549	194

OLTA FY24

DHCA OLTA Case Total	Potential % of OCP cases based on unit violations	Potential Additional OCP Complaints	FY26 (FY25 numbers) Projected complaints with tenancy	FY26 (FY25 numbers) Complaints per Investigator/Year
1015	100%	1015	2215	277
	75%	761.25	1961.25	245
	50%	507.5	1707.5	213
	25%	253.75	1453.75	182

The Fiscal Impact Statement will outline the details further.

Ech# 4

M E M O R A N D U M

April 5, 1973

TO: County Council

FROM: Ronald E. Resh, Legislative Counsel

RER

SUBJECT: Proposed Bill to Expand Jurisdiction of Office of Consumer Affairs

The attached bill, prepared by the County Attorney's office, was submitted to the Council by the County Executive on March 20. It would expand the jurisdiction of the Office of Consumer Affairs to cover real estate transactions presently excluded from the law.

The Executive staff advises that this bill has the endorsement of the Advisory Committee on Consumer Affairs. It is before the Council at this time for introduction.

For purposes of listing this bill on the agenda it has been shown for introduction by the Council President at the request of the County Executive. Since a number of Councilmembers have expressed an interest in sponsoring such a measure, the names of additional sponsors can be added at the time of introduction.

RER/saw

Attachment

Exhibit # 4

Office Of The County Executive

8 11 23 PM 2:11 March 20, 1973

COUNCIL OFFICE

The Honorable William Sher
President
County Council
Rockville, Maryland

Dear Mr. Sher:

During the past several months, I have been reviewing with the Office of Consumer Affairs, the volume and nature of complaints received. It has become apparent that a large number of complaints are being received in three major areas: housing, automotive sales and servicing, and electronic repairs.

During its first year, the Office of Consumer Affairs received 172 complaints involving the sale of new homes. These complaints have been filed notwithstanding the fact that the Office does not have jurisdiction in the field of housing and has so advised consumers. Furthermore, the volume is deceptively low since many of the 172 complaints were filed by individuals but involved matters affecting numerous new home purchasers. For example, one complaint involved 50 home owners, another affected 135, and a third, represented 172 purchasers.

When the original consumer affairs law was enacted, the Council anticipated that it would be necessary to review the law annually to identify those areas that needed amendment or additional legislation. I have reviewed the past year's activities of the Office and am forwarding to you today an amendment to the Consumer Affairs law which extends the authority of the Office to include complaints involving the sale of new homes. The housing industry represents a significant segment of our total business community, and should be subject to the same standards of dealing with consumers as are other local merchants.

Montgomery County, Maryland

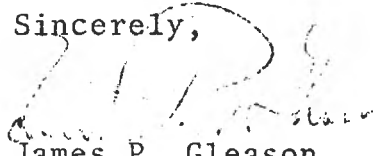
page 2.
March 20
William Sher

Specifically, the legislation I propose would amend the appropriate sections of the Consumer Protection Law to include real estate and would remove the current exemption of real estate brokers and salesmen. I believe this proposed amendment represents a necessary and logical extension of the jurisdiction of the Office of Consumer Affairs.

Additionally, I am reviewing problems in the areas of electronics and automotive repairs and plan to forward recommendations to you on these industries in the near future.

I would appreciate favorable and early consideration of the attached legislation.

Sincerely,



James P. Gleason
County Executive

JPG:bc
enc.



Statement on Council Bill 6-25, Consumer Protection – Defective Tenancies

March 4, 2025

The Apartment and Office Building Association (AOBA) of Metropolitan Washington is a non-profit trade association representing the owners and managers of more than 23 million square feet of commercial office space and 133,000 apartment rental units in Montgomery and Prince George's counties. AOBA submits the following statement in opposition to Council Bill 6-25.

This bill expands the definition of merchant to include landlords and clarifies that consumer goods and services includes rental housing. This would allow the county to sue landlords for alleged defective tenancies and deceptive trade practices, which can include recovery of damages and attorney's fees. AOBA opposes this bill because it will unnecessarily burden the courts and is duplicative of other tenant protections that already exist in county and state law.

According to the Department of Housing and Community Affairs' (DHCA) 2024 Troubled Property Report, the Montgomery County District Court has a backlog of cases and is taking six to eight months to hold hearings on civil citations. This bill will only worsen the backlog as the court sorts through the often lengthy and complex hearings on housing code enforcement issues. Many of these cases are ultimately dismissed or citations are waived by the court because the landlord has resolved the violations.

As a result, DHCA estimates that only 5-7% of the citations it issues are collected. While proponents of the bill see this as proof that housing code enforcement is ineffective, the opposite is true, as the courts focus on ensuring compliance rather than imposing penalties. AOBA asks that the Council consider the following:

1. How many violations were resolved by landlords prior to the first court hearing?
2. How many times did the courts grant landlords an extension to resolve violations for circumstances outside of the landlord's control?
3. Were any citations issued for tenant caused violations, such as overcrowding, unsanitary living conditions, or blocking safe ingress/egress?
4. How many cases does the County expect to bring for consumer protection violations?



1025 Connecticut Avenue, NW Suite 1005 Washington, DC 20036
p: 202.296.3390 f: 202.296.3399
www.aoba-metro.org



5. Do the Office of the County Attorney and Office of Consumer Protection have sufficient staff to handle these cases?

Proponents of the bill also argue that it is needed because tenants have limited recourse against unscrupulous landlords. However, that is not the case, as the Maryland General Assembly enacted the Tenant Safety Act last year.¹ This law requires landlords to warrant that their housing is “fit for human habitation;” it allows tenants to file class action suits for landlords that breach this warrant of habitability; and allows the courts to award damages and abatement of rent to tenants.

The County also has considerable authority to designate properties with excessive housing code violations as either “Troubled” or “At-risk.” Under the County’s Rent Stabilization Law, properties with these designations cannot raise rents unless they file a lengthy and cumbersome fair return petition. Going after these properties for consumer protection violations will only increase their operating costs, setting them back even further and delaying compliance even longer. Lastly, many of these consumer protections already exist under the Maryland Consumer Protection Act, which Attorney General Anthony Brown has used to bring cases against landlords.²

AOBA urges the Council to table consideration of Council Bill 6-25 until the impact of the Tenant Safety Act and the County Rent Stabilization Law are fully understood. For more information, please contact Brian Anleu at banleu@aoba-metro.org.

¹ House Bill 1117 - Landlord and Tenant - Failure to Repair Serious and Dangerous Defects - Tenant Remedies (Tenant Safety Act of 2024); <https://mgaleg.maryland.gov/2024RS/bills/hb/hb1117E.pdf>

² <https://www.marylandattorneygeneral.gov/press/2024/111324.pdf>

Good afternoon members of the Montgomery County Council. My name is Sergine Yango and I am a member of the Enclave Tenants' Association, where I live, and I am a member of Action in Montgomery. On behalf of Action in Montgomery, I am testifying today in support of Bill 6-25.

I have lived at the Enclave Apartments for a total of 15 years. What used to be luxury apartments has deteriorated. In the summer of 2023, I knocked door by door and heard from my neighbors that they shared the same maintenance challenges that I have.

- Air conditioning units that do not work in the summer, leaking water into the units, ruining carpets and causing leaks in the ceilings of neighbors living below;
- And the humidity has caused serious mold which has been well published in many news articles
- And you want to talk about rodents? We have a video when a man in a hazmat suit opened a ceiling panel and it RAINED dead mice, just piles of them. Imagine- for how many years the building did not do effective pest management for us to get to that stage. You can see and hear New York City sized rodents even in the lobby of the building.
- The washing machines in the basement do not work.
- And every week there are issues with the elevators which is extremely challenging because we have residents in wheelchairs

In the summer of 2023, when we had issues with management not fixing the apartments, we're often told- Call 311 and report the issue to Code Enforcement. That summer, when we met with the Department of Housing and Community Affairs, we heard that there had been over 2,958 code violations. What we learned from the experience was that it was easier for the property owner to pay the fees than to fix the problems. What we learned was that DHCA was limited in what they could do.

These issues are not limited to The Enclave. Tenants at Cider Mill Apartments in Montgomery Village, Westchester West Apartments on Hewitt Ave in Silver Spring, and Northwest Park Apartments in Silver Spring are facing the same challenges. As middle and lower-income families, we are being left behind with soaring rent and utility bills, while not receiving the level of service we are paying for.

We support this Bill 6-25 because it gives our County another tool, another option to address the FAILURES of NEGLIGENT landlords. It corrects a wrong. It recognizes that renting units IS A business where a service is provided and the tenant PAYS for that service through rent and other fees. And as a consumer of that service, we should be able to benefit from the consumer protections laws.

Our Councilmember must stand with us and support this bill to ensure that we are treated fairly and with the respect we deserve. Thank you.

March 3, 2025

Carol Stern

Chevy Chase, MD 20815

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

TO: Montgomery County Public Safety Committee and the County Council

My name is Carol Stern and I am a resident of Chevy Chase in District 1 and a member of Adat Shalom Reconstructionist Congregation in Bethesda. I am providing this testimony in support of Bill 6-25.

My Jewish tradition's primary concern regarding landlord-tenant relations is the question of landlords providing and maintaining a safe and secure place for tenants to rent. Jewish Law legislates that landlords are required to provide “the door, the bolt, the lock, and anything which is the work of an artisan”, meaning any feature of a home that a civilian could not keep up on their own. The law also offers other details indicating that the landlord is obligated to maintain and pay for all structural elements of the home. If the home collapses, the landlord must rebuild it as the same sort of housing as it was at the beginning of the lease. In addition, a landlord may not neglect a unit until it collapses and then rebuild a bigger or smaller unit that would be ill-fitting to this tenant’s needs, in order to push them out and squeeze higher rent out of someone else.

Bill 6-25, Consumer Protection – Defective Tenancies as Deceptive Trade Practices is exactly in line with Jewish tradition. It will close a huge loophole that currently exempts landlords from Consumer Protections law. This enables a disproportionate number of landlords to market and rent substandard, unsafe, and unhealthy dwellings, while leaving tenants with no effective legal recourse. Once passed, this legislation would also allow the County to hold the worst actors accountable and collect fines that historically have largely been left uncollected.

Every person, regardless of race or income, should have a safe, stable and well-maintained home that matches what was marketed to them when they signed their lease And yet, some landlords believe that their own profit is more important than the safety and stability of tenants, especially tenants who are low-income, come from marginalized backgrounds, and may have no other choice but to rent from them., As a result, these landlords let the buildings they own fall into disrepair, or throw whole families out on the street to try to squeeze more money out of the next renters.

I respectfully urge this committee to return a favorable report on Bill 6-25.

March 4, 2025 Testimony of Christopher Bruch

Against Bill 6-25

Consumer Protection - Defective Tenancies as Deceptive Trade Practice

Good afternoon President Stewart and members of the Council, my name is Chris Bruch, I have been a resident of the County for 61-years and I am CEO of The Donohoe Companies, a 141-year-old business headquartered here in Montgomery County.

Bill 6-25, is a solution in search of a problem. In my view, you are legislating for the 2% (bad actors) at the expense of the 98% (reputable landlords). This legislation is duplicative as our State and County have laws, restrictions, codified procedures, and requirements that already protect tenants from bad landlords. Remedies include:

- The State Tenant Safety Act that took effect in October allows tenants to file a class action suits against their landlord for defective tenancies, Tenants can sue for damages.
- The County's DHCA 40+ person code enforcement team can use its authority to enforce housing code violations, including the troubled and at-risk properties designation which prevents landlords from raising rents
- The County's OLTA can issue decisions and orders that have the force of law
- These consumer protections already exist in state law, which the Attorney General has used to go after bad actors

I just three short years, Montgomery County has gone from one of the most desirable multifamily markets for investment in the Nation, to one of the worst. Thanks in part to rent control, vacancy control, and a never-ending slew of unnecessary regulations like this one. For those in the multifamily space, it feels like death by a thousand cuts.

Let me explain how a typical developer finances a new 200-unit apartment building:

Cost: \$100M (\$500K/unit)

Loan: 60%

Equity: 40% (\$40M in cash)

Typical developers only put in 5-10% of the equity (\$5M)

Still need to raise \$35M

We pitch the project to institutions, life companies, pension funds, etc.

They have zero interest in investing in Montgomery County, they have essentially red-lined us. Your brand (Montgomery County) is in serious trouble when your housing policies are criticized nationally by the Wall Street Journal and at national real estate investment conferences where MC has been cited as the DC submarket to avoid.

Because we cannot attract capital, new starts are at an all-time low. When we're not building market rate housing, we're also not building MPDU's. This is a very dire situation for our housing supply.

There's a snowball effect to past policy decisions – reduced interest in MC results in fewer buyers, developers and reduced property valuations and tax collections, and eventually refinancing risk where borrowers choose to walk away rather than pay down debt. This housing crisis, now, coupled with Federal and Contractor job losses and a significant reduction in Federal space is setting us up for a local recession.

I offer two suggestions to reattract investment to MC and stimulate new market rate supply:

- 1) Change the rent control applicability date to a static date, like Prince Georges County which is 2020, or DC by example is 1975. Montgomery County is the only jurisdiction with a rolling 23-year applicability date. The day the property opens, the rent control clock begins ticking and property's value begins declining.
- 2) Eliminate vacancy control – which effectively keeps units below market in perpetuity. No investor or lender can underwrite a new market-rate development with any units below market in perpetuity. This is especially harmful to older properties that are more capital intensive, vacancy control is why these properties eventually fall into disrepair.

I urge you not to pass this unnecessary and duplicative legislation.

Thank you for your consideration.

“Dream Apartment”

“Ideal Apartment Living”

“Comfort meets convenience”

Imagine you rent an apartment advertised as all of those things but you find yourself living in the Enclave. An apartment complex that remains on the troubled property list and has a documented record of housing code violations—including rat/mouse infestations, roach infestations, mold, HVAC issues, and broken appliances. Imagine advertising that you can “elevate your lifestyle” in a community known for frequent elevator outages.

My name is Deedee Jacobsohn and I am a resident of District 4. I am writing in support of Bill 6-25: Consumer Protection - Defective Tenancies as Deceptive Trade Practices to remove the landlord exemption from the Consumer Protection Act. Over the past few years, through Action in Montgomery and other organizations, I have built relationships with residents of apartment complexes like the Enclave and Cider Mill. I have heard their personal horror stories about disgusting situations that are not corrected in a timely manner—and often not corrected at all. Yet there is no real legal recourse to hold the landlords accountable.

I don’t expect real estate advertisements to be wholly accurate. But I expect that the apartments should be habitable.

I respectfully urge the County Council to pass Bill 6-25 to amend the Consumer Protection Act and hold landlords legally—and financially—accountable for the condition of their properties.

Testimony in Support of
Bill 6-25 Consumer Protection - Defective Tenancies as Deceptive Trade Practices

My name is Mara Greengrass, I'm a resident of Council District 6, and a former renter in both Silver Spring and the city of Rockville. On behalf of Jews United for Justice (JUFJ), I am submitting this testimony in support of Bill 6-25: Consumer Protection - Defective Tenancies as Deceptive Trade Practices.

JUFJ represents over 2,000 Jews and allies across Montgomery County who act on our shared Jewish values to advance social, economic, and racial justice in our local community. JUFJ has consistently supported renters' rights initiatives here because we believe that every resident deserves to live in a safe, clean, and dignified home.

Before this bill was introduced, I had no idea that landlords were not considered "merchants" and were specifically exempted under Montgomery County's consumer protection laws! Once I learned this, I was floored and angered.

If my local grocery store knowingly sold me spinach that had salmonella, the county would be able to take action. If the dealer who sold my family a used Mazda two weeks ago knowingly sold us a car with faulty brakes, the county would be able to take action. But if I spend thousands of dollars on a security deposit and rent for an apartment and the landlord knew it had mold, rats, and a broken A/C unit, right now the county could do little to hold them accountable.

I support this legislation not only as a former renter and current District 6 resident, but also because my faith calls me to. Jewish texts are full of admonitions to provide safe and stable housing for all. The prophet Micah understood that housing is more than a roof over one's head and to deny a person safe housing is not only robbing them in the present, but also robbing their family for generations to come.

As Councilmember Mink noted in the press conference at this bill's introduction, rent is most often a consumer's largest expense. Montgomery County residents have the right to know what they are spending their money on, and take legal recourse when they have been misled. We know that living conditions are a huge factor in determining health outcomes, children's success in school, and overall well being. This bill provides a critical accountability measure to help ensure that residents have access to a safe and healthy home.

Landlords who are renting housing that doesn't threaten the health and safety of tenants have nothing to fear from this bill. Only bad actors who are defrauding residents need to be concerned. This bill simply creates a mandate for landlords to rent safe housing that matches what they have advertised.

The Office of Consumer Protection has a very special role in protecting Montgomery County residents and it must be allowed to do its job unhindered by loopholes and carve-outs for special

interests. Montgomery County must be able to hold accountable landlords who are renting unsafe housing. It's unconscionable that this situation has gone on as long as it has.

Thank you and I hope you will support Bill 6-25: Consumer Protection - Defective Tenancies as Deceptive Trade Practices, to finally close this loophole and return control to the county and its residents.

February 27, 2025

Letter to the Montgomery County Council

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

The League of Women Voters of Montgomery County (LWVMC) supports Bill 6-25 which would remove an exemption for landlord and tenant issues under county consumer protection laws, making it easier for the county's Office of Consumer Protection and the Office of the County Attorney to enforce compliance when landlords fail to correct housing code violations. Under current county law, landlords are exempt from some consumer protection laws because they are not considered "merchants." This bill would change the "Landlord's" status to "Merchant" and enable government officials to hold landlords accountable if they provide unfit rental housing, do not provide amenities as advertised, fail to repair essential building services, impose junk fees or if they have committed chronic housing code violations.

Bill 6-25 is consistent with the LWVMC stated policy relating to housing and public accommodations. **The LWVMC supports affordable housing and strict enforcement of housing codes with civil penalties and any other measures to assure habitability.**

The League's national policy supports the rights of tenants be protected for proper maintenance, management of facilities and services, and opposes limitations that undermine consumer protections. The process should ensure every possible protection for complainant and persons or institutions against whom complaints are lodged. Avenues for legal redress should be widely publicized and easily accessible.

Housing quality is essential for all families as well as achieving social justice of marginalized communities. It is necessary for the economic and physical health of the county. Safe housing helps families and communities build their lives.

Thank you for this opportunity to provide our views. We urge the Council to pass Bill 6-25.

Joan Siegel and Ralph Watkins
Co-presidents



Montgomery County Community Action Board Testimony
County Council Bill 6-25: Consumer Protection – Defective Tenancies as Deceptive Trade Practices
March 4, 2025
SUPPORT

The Montgomery County Community Action Board, the County’s local, state, and federally designated anti-poverty group, is in support of County Council Bill 6 – 25, which would allow renters to seek remedies for defective rental properties under consumer protection law.

As advocates for economically disadvantaged and marginalized communities, our board continues to support tenants’ rights and policies that remove barriers to safe and affordable housing. In Montgomery County, around 62% of renters earning less than \$50,000 annually spend over half of their income on housing, indicating a severe housing cost burden.¹ In addition to the lack of affordable housing options in the County, renters also face challenges addressing maintenance and facilities issues in their rental properties. In one example a board member shared, a County resident with two young children reported to her landlord that the refrigerator and stove stopped working in her apartment. When neither appliance was fixed, she decided to withhold her rent. She later had to pay back rent, even though the issues were never addressed. In the end, this resident had to vacate the property or face eviction. Bill 6 - 25 would offer another avenue for renters in similar, far too common situations to have these types of issues addressed.

Within our own Community Action Agency, for which our board is the governing body, staff report that it is common practice for landlords to simply let a lease expire if the tenant has expressed concerns about health and safety in the building, instead of addressing these issues directly. Marginalized members of our community, including undocumented residents, refugees, asylees, residents with disabilities, and families with modest incomes, are especially at risk for such unfair practices. This bill will offer another option for renters facing unsafe housing situations to have their concerns addressed.

It is important to note that protections for renters are especially critical in an area like Montgomery County where the cost of living is so high. According to the 2023 Montgomery County Self-Sufficiency Standard, a household with two working adults, one preschooler, and one school-age child would need to earn \$122,943 annually to cover their basic necessities, over four times the federal poverty level.² Housing represents a significant expense for families. Policies that can lead to more housing stability, like Council Bill 6-25, can help families move towards the Self-Sufficiency Standard.

The Community Action Board strongly supports County Council Bill 6 – 25. We ask the Council to vote in favor of this bill and to continue to explore policies that will lead to more stable, safe, and affordable housing options for residents.

¹<https://www.montgomerycountymd.gov/countystat/program-inventory/housing.html>

²https://www.montgomerycountymd.gov/HHS-Program/Resources/Files/MDMontCo2023_SSS.pdf



Montgomery County Community Action Board Testimony
County Council Bill 6-25: Consumer Protection – Defective Tenancies as Deceptive Trade Practices
March 4, 2025
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The Montgomery County Community Action Board, the County’s local, state, and federally designated anti-poverty group, is in support of County Council Bill 6 – 25, which would allow renters to seek remedies for defective rental properties under consumer protection law.

As advocates for economically disadvantaged and marginalized communities, our board continues to support tenants’ rights and policies that remove barriers to safe and affordable housing. In Montgomery County, around 62% of renters earning less than \$50,000 annually spend over half of their income on housing, indicating a severe housing cost burden.¹ In addition to the lack of affordable housing options in the County, renters also face challenges addressing maintenance and facilities issues in their rental properties. In one example a board member shared, a County resident with two young children reported to her landlord that the refrigerator and stove stopped working in her apartment. When neither appliance was fixed, she decided to withhold her rent. She later had to pay back rent, even though the issues were never addressed. In the end, this resident had to vacate the property or face eviction. Bill 6 - 25 would offer another avenue for renters in similar, far too common situations to have these types of issues addressed.

Within our own Community Action Agency, for which our board is the governing body, staff report that it is common practice for landlords to simply let a lease expire if the tenant has expressed concerns about health and safety in the building, instead of addressing these issues directly. Marginalized members of our community, including undocumented residents, refugees, asylees, residents with disabilities, and families with modest incomes, are especially at risk for such unfair practices. This bill will offer another option for renters facing unsafe housing situations to have their concerns addressed.

It is important to note that protections for renters are especially critical in an area like Montgomery County where the cost of living is so high. According to the 2023 Montgomery County Self-Sufficiency Standard, a household with two working adults, one preschooler, and one school-age child would need to earn \$122,943 annually to cover their basic necessities, over four times the federal poverty level.² Housing represents a significant expense for families. Policies that can lead to more housing stability, like Council Bill 6-25, can help families move towards the Self-Sufficiency Standard.

The Community Action Board strongly supports County Council Bill 6 – 25. We ask the Council to vote in favor of this bill and to continue to explore policies that will lead to more stable, safe, and affordable housing options for residents.

¹<https://www.montgomerycountymd.gov/countystat/program-inventory/housing.html>

²https://www.montgomerycountymd.gov/HHS-Program/Resources/Files/MDMontCo2023_SSS.pdf

Nancy's Testimony - Support for Bill 6-25

Good afternoon, my name is Nancy Andrade, and I live in Northwest Park, a property managed by Kay Apartments. I am here because I believe this bill is necessary and fair for tenants in the county.

In Montgomery, many tenants live in poor conditions because landlords do not fix the problems in their properties, and it seems like the county has no way to force them to comply with the rules. And this is not just happening in my neighborhood—it's a reality in many apartment buildings across the county.

When I found out that tenants are not protected under the same laws as other consumers, I was shocked. It makes no sense that we are excluded from demanding the service we pay for. If we compare the apartments advertised on property websites to the reality that tenants in Montgomery County are living in, the difference is huge and alarming.

In my neighborhood, the biggest problems are humidity and mold, along with infestations of rats, cockroaches, and other pests. A couple of years ago, when I had a cockroach infestation, maintenance only set a few traps. I had to buy poison, wake up multiple times every night to spray it, replace my kitchen utensils, and clean every single corner to get rid of them. Last December, a rat died inside a bathroom cabinet that we couldn't open. When I reported it to the leasing office, they told me the only solution was to replace the cabinet, but they didn't have any available and couldn't do anything about it. So, here we are in March, and my family and I have been living with that smell for four months.

Landlords are supposed to take care of maintenance, but I've had to spend my own money because I refuse to let my family live in these conditions. When I ask for solutions, all they say is, *"Every tenant has problems, you'll have to wait."* Can you believe it? It's outrageous!

I don't think I'm asking for anything unfair as a tenant. I am a customer of a business that provides housing, and as a consumer, I do my part—I pay my rent and follow the rules. Isn't it fair to expect them to do the same?

That is why I support this bill, and I ask you to support it too. It's time for the county to do more to ensure that landlords follow the law so that we can live in decent conditions.

Thank you very much.

Testimonio de Nancy - Apoyo al Proyecto de Ley 6-25

Buenas tardes, mi nombre es Nancy Andrade y vivo en Northwest Park, una propiedad de Kay Apartments. Estoy aquí porque creo que este proyecto de ley es necesario y justo para los inquilinos del condado.

En Montgomery, muchos inquilinos vivimos en malas condiciones porque los dueños no arreglan los problemas de sus propiedades y parece que el condado no tiene cómo obligarlos a cumplir las normas. Y eso no solo pasa en mi barrio, ocurre en muchos edificios de apartamentos en todo el condado.

Cuando supe que los inquilinos no estamos protegidos por las mismas leyes que otros consumidores, me pareció increíble. No tiene sentido que se nos excluya de exigir el servicio por el que pagamos. Si comparamos los apartamentos que se promocionan en las páginas web con la realidad en la que vivimos los inquilinos del condado de Montgomery, la diferencia es enorme y preocupante.

En mi barrio, el mayor problema es la humedad y el moho, además de las plagas de ratones, cucarachas y cucarrones. Hace un par de años, cuando tuve infestación de cucarachas, los de mantenimiento solo pusieron trampitas. Yo tuve que comprar veneno, levantarme todas las noches a rociarlo, cambiar mis utensilios de cocina y limpiar cada rincón para eliminarlas. En diciembre pasado, un ratón se murió dentro de un mueble del baño que no podíamos abrir. Los de la oficina de arrendamiento me dijeron que la única solución era cambiarlo, pero que no tenían muebles disponibles y no podían hacer nada. Así que hasta hoy, en marzo, mi familia y yo hemos tenido que vivir cuatro meses con ese olor.

Se supone que los dueños deberían hacerse cargo del mantenimiento, pero yo he tenido que gastar mi dinero porque no soporto ver a mi familia viviendo en esas condiciones. Cuando he pedido soluciones, solo me dicen: "Todos los vecinos tienen problemas, nos vamos a demorar." ¡Es el colmo!

No creo que como inquilina esté pidiendo algo injusto. Soy cliente de una empresa que ofrece un servicio de vivienda y, como consumidora, cumplo con mi parte pagando y respetando las normas. ¿No es justo que ellos también cumplan con la suya?

Por eso apoyo este proyecto de ley y les pido que ustedes lo hagan también. Ya es hora de que el condado haga algo más para asegurarse de que los propietarios cumplan con la ley y nosotros podamos vivir en condiciones dignas.

Muchas gracias.

Robert Pestronk, Willard Towers

Thank you for the opportunity to speak with you this afternoon. I am Robert Pestronk, a renter.

I wish to make two requests for inclusion in Bill 6-25. Both concern transparency. Both bear on potential eviction.

The first addresses lease language. The second addresses the availability of utility cost and utility fee documentation and the ability of renters to calculate and determine the basis for both their individual utility bills and utility fees.

First, lease language should be plain spoken. On their face, lease terms should be compliant with local, County, State, and federal law.

A lease term stating that if another lease term is against a local, State, or federal law it will not prevail is a legal and administrative efficiency for a landlord with properties in multiple jurisdictions. It allows a landlord to include the most landlord-favorable language for a state in which they own property in all of their leases. But it encourages a tenant in another jurisdiction to believe that those illegal terms apply.

The rights and responsibilities of tenants and landlords should not be hidden behind such language. Tenants should not have to bear the time and dollar cost of legal research or of an attorney for an interpretation of the lease or law. Tenants should not have to believe legally non-compliant terms prevail.

My current, proposed lease clearly has terms that are not compliant with the law. One example concerns eviction in the case of building renovation during lease term. There are others.

Second, transparency should be required in utility billings and utility administrative fees.

Current County regulations cap a water fee at one dollar. And, under current regulations landlords must respond to a resident request to view the underlying gross water bills and be provided with common area deductions to calculate how the County's Ratio Utility Billing System formula is used to calculate the individual apartment charge.

However, now, there is no limit on fees for other utilities. And there is no requirement for landlords to share how third parties or landlords calculate or allocate these fees to an individual renter.

As a result, the details for RUBS formula calculation are not transparent. Neither landlords nor third party billers are required to provide or display the basis for gas, electricity or other utility calculations. No common area deductions must be displayed.

These bills are an increasingly expensive component of monthly rent. Their calculation should be transparent. Failure to pay them can lead to eviction.

In summary, lease terms should comply with Montgomery County regulations and Maryland law. Access to the details for all utility and fee billing should be required.

Thank you for considering these requests for transparency.

Testimony In Favor of Bill 6-25: Consumer Protections-Defective Tenancies as Deceptive Practices Act

To The Honorable Council

Greetings

My name is Robert Stubblefield and I am a lifelong resident of Montgomery County. I am also a lay minister, an activist-organizer with a variety of groups such as the Bethesda African Cemetery Coalition, Young People for Progress, Montgomery County Chapter of DSA and more but I am responding in my individual capacity to write in favor of Bill 6-25 Consumer Protections-Defective Tenancies as Deceptive Practices Act aka Consumer Protections. My reasons are detailed below.

The first reason why I am supporting this bill is because for too long, landlords, whether corporate, private, or HOC have and continue to abuse and mistreat renters. These abuses have been detailed to include unfit rental housing which is unfit for human beings, amenities not fairly advertised which creates problems in terms of hygiene, imposition of junk fees that will continue to push people further down into poverty, and chronic housing violations which these landlords have been getting away with for too long. One only need to look at the horror stories at places such as the Enclave, Blair Towers, Spring Parc Apartments and a host of other residences to see how they have flaunted housing codes. It should be noted that the Enclave has had issues dating back to when I was a child and it has only gone from bad to worse. This bill helps remove the veil of invincibility of these landlords by correctly listing them as merchants because that what they are when they rent they are providing a good. Not only that but now it makes them liable and at the same time providing renters with some form of equitable relief granted by a court. This is good news.

The second reason why I am supporting this bill is because it provides recourse and power to the renters. For too long landlords have been taking advantage of the housing crisis that increases every day in this country but in this county specifically. Due to this knowledge landlords have been able to use the looming threat of eviction to ruin families' lives. This has also led to a displacement crisis which health experts have noted that this type of trauma can shorten lifespans and ruin community ties, which leads to a decrease in school performance and more. This has also taken power from the renters. With this bill, The Office of Consumer Protection can investigate and enforce consumer protection in landlord-tenant matters which makes it easier for renters to complain to the Office of these heinous practices.

The third and final reason why I support this bill is because it is the right thing to do. In Matthew 25 it states that "what you do to the least of these you have done to me also." Renters

which include black and brown families, refugees, people with disabilities, and the intersection of these communities have been marginalized for too long and it is time that they have recourse and an end of the abuse. It is a duty of the government to look after the least of these, not the elite, not the developer/landlord class but to the masses. This bill is a good step in the right direction. To be clear, much more needs to be done in regards to our housing crises but this bill is a good start.

Uhuru and Thank you

Testimony on Bill 6-25: Consumer Protection - Defective Tenancies as Deceptive Trade Practices

Dear Committee Members,

I appreciate the opportunity to share my perspective on Bill 6-25. On Tuesday, March 4th, I had my first chance to testify; however, due to misplaced notes, my remarks were not as structured as I intended. Since it was stated that additional documents could be submitted before March 10th, I would like to supplement and clarify my testimony.

My name is Konstantin Tomenko. I hold a full-time position and have been a small property owner with over twenty years of experience in real estate. Throughout these years, I have learned that maintaining a positive landlord-tenant relationship is in the best interest of both parties. As property owners, we strive to provide the highest level of service to our tenants. We do not rent out unfinished or incomplete properties, nor do we ignore even minor issues. Any concerns that arise are addressed promptly to ensure tenant satisfaction.

Tenant retention is a priority, as turnover results in additional costs for property owners and management companies. This is why we diligently comply with all regulations and respond to maintenance requests as quickly as possible.

Through our participation in the Apartment Assistance Program (AAP), we have learned that tenants already have multiple avenues to address concerns in cases of landlord or management negligence. However, a lack of awareness about these existing resources often leaves tenants unsure of how to proceed when issues are not resolved in a timely manner. A simple call to the Office of Landlord-Tenant Affairs can effectively address most concerns, and all available remedies are clearly outlined in the **Landlord-Tenant Handbook**.

Rather than introducing a new bill that may increase workload without necessarily improving efficiency, my appeal is to focus on ensuring tenants are informed about the resources already at their disposal. Strengthening awareness and accessibility of these existing tools would be a more effective approach to addressing tenant concerns.

Thank you for your time and consideration.

Best regards,
Konstantin Tomenko



OFFICE OF MANAGEMENT AND BUDGET


Marc Elrich
County Executive

Jennifer R. Bryant
Director

MEMORANDUM

March 4, 2025

TO: Kate Stewart, President
Montgomery County Council

FROM: Jennifer R. Bryant, Director
Office of Management and Budget 

SUBJECT: Extension Request: Fiscal Impact Statement for Expedited Bill 6-25,
Consumer Protection – Defective Tenancies as Defective Trade Practice

As required by Section 2-81A of the Montgomery County Code, we are informing you that transmittal of the Fiscal Impact Statement for the above referenced legislation will be delayed because more time is needed to collect information and conduct a meaningful analysis on the Bill. We are requesting an extension and will transmit the Fiscal Impact Statement no later than March 18, 2025.

JRB:ac

cc: Cecily Thorne, Chief of Staff to the Council President, Montgomery County Council
Craig Howard, Executive Director, Montgomery County Council
Richard S. Madaleno, Chief Administrative Officer, Office of the County Executive
Tricia Swanson, Director of Strategic Partnerships, Office of the County Executive
Joshua Watters, Deputy Director, Office of Management and Budget
Chris Mullin, Manager, Office of Management and Budget
Eva Acevedo, Fiscal and Policy Analyst, Office of Management and Budget

Office of the Director

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