



Committee: PHP
Committee Review: At a future date
Staff: Ludeen McCartney-Green, Legislative Attorney
Purpose: To receive testimony – no vote expected
Keywords: #tenantprotection

AGENDA ITEM #1
April 23, 2024
Public Hearing

SUBJECT

Bill 7-24, Landlord-Tenant Relations – Tenant Protection and Notification

Lead Sponsor: Council Vice President Stewart

Cosponsors: Councilmembers Balcombe, Sayles, Katz, Mink, Albornoz, Jawando, Glass, and Council President Friedson

EXPECTED ATTENDEES

Members of the public

COUNCIL DECISION POINTS & COMMITTEE RECOMMENDATION

- N/A; to receive testimony.

DESCRIPTION/ISSUE

- Bill 7-24 would:
 - (1) require a residential lease to include certain information related to renter’s insurance, automatic sprinkler system, and emergency safety plan;
 - (2) require the 24-hour availability of a building representative during certain emergency situations;
 - (3) require notification of essential service disruptions in a rental building;
 - (4) require an emergency safety plan and approval of the plan by the Department of Housing and Community Affairs; and
 - (5) generally amend the law regarding landlord-tenant relations in the County.

SUMMARY OF KEY DISCUSSION POINTS

- N/A

This report contains:

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Racial Equity and Social Justice Impact Statement	© 7
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MEMORANDUM

April 18, 2024

TO: County Council

FROM: Ludeen McCartney-Green, Legislative Attorney

SUBJECT: Bill 7-24, Landlord-Tenant Relations – Tenant Protection and Notification

PURPOSE: Public Hearing – no Council votes required

Bill 7-24, Landlord-Tenant Relations – Tenant Protection and Notification sponsored by Lead Sponsor Council Vice President Stewart and Co-sponsors Councilmembers Balcombe, Sayles, Katz, Mink, Albornoz, Jawando, Glass, and Council President Friedson was introduced on March 5, 2024. A public hearing is scheduled for April 23, 2024. The bill will be considered by the Planning, Housing, and Parks (PHP) Committee at a later date.

Bill 7-24 would:

- (1) require a residential lease to include certain information related to insurance, automatic sprinkler system, and emergency safety plan;
- (2) require the 24-hour availability of a building representative during certain emergency situations;
- (3) require notification of disruption of essential services in a rental building;
- (4) require an emergency safety plan and approval of the plan by the Department of Housing and Community Affairs; and
- (5) generally amend the law regarding landlord-tenant relations in the County.

BACKGROUND

The purpose of this Bill is to enhance communication related to safety of rental housing and expand protections for tenants during emergency situations.

The County has seen an increase with apartment complexes that faced emergency situations (building fires, power outages, evacuations, or condemnations) and building management has lack preventative plans to address these types of emergencies. A tragic building

fire occurred at an apartment building in Silver Spring that resulted in a death¹, a housing community in North Bethesda experienced a power outage that displaced many residents², and other similar situations arose with serious electrical issues³ and buildings without automatic fire sprinklers.⁴

A concern raised among tenants affected by an emergency was the lack of transparency and poor communication between management and tenants. The need to address and improve communication during emergencies is crucial to safeguarding the community's health, safety, and well-being, especially regarding fire safety.

BILL SPECIFICS

1. *Expands the contents required in a lease agreement.*

Bill 7-24 would expand existing requirements for a lease agreement under Chapter 29, to include the following:

- a statement that informs the tenant **an insurance policy purchased by the landlord does not provide coverage for a tenant's personal belongings** and the statement must indicate whether the tenant is required to obtain renter's insurance;
- specify whether the **building has an automatic sprinkler system**; and
- for multifamily apartment buildings, an **emergency safety plan approved by DHCA**.

2. *Notifications required by the landlord.*

A landlord is required to post in a conspicuous place or provide a notice to each tenant that includes the contact information for a building representative reachable 24 hours a day, 7 days a week. The same applies for single-family rentals.

Further, if there is a building-wide outage, maintenance, or repair of essential services, such as electricity, water, heat, or power generator, the landlord is required to notify all tenants at least 7 days before the interruption of services, or within 24 hours for an unscheduled interruption.

The notice must contain the date of service interruption, estimated time of repair, and information regarding how the landlord will communicate with the tenants once the issue is resolved.

3. *Require a representative for air conditioning temperature control.*

¹ Aratani, Lori. [Fire at Silver Spring apartment building kills 1 and displaces 400](#). Published February 23, 2023; Source of the Spring. [Remembering the Arrive Silver Spring Apartment Fire: 1 Year Later](#). Accessed on 27 February 2024.

² Dimargo, Carissa. [Up to 1,000 People Evacuated From Bethesda Apartment Building After Fire, Power Outage](#). Published August 25, 2022. Accessed on 27 February 2024.

³ Domingo Ida. [Bethesda high-rise apartment 'condemned,' residents evacuated after electrical issues](#). Published January 8, 2024. Accessed on 27 February 2024.

⁴ Cooper, Kyle. [After 5 deadly fires in Montgomery Co., 'all-hands-on-deck' effort to check on all apartment buildings without sprinklers](#). Published March 10, 2023. Accessed on February 27, 2024.

Under existing law (Section 26-7), a landlord is required to provide a tenant an emergency phone number for a building representative who can adjust the thermostat if the heat in the winter season is below a certain degree; however, the same requirement does not apply for cooling systems (air conditioning) in the summer.

Bill 7-24 would expand the law to require a landlord provide an emergency phone number of a representative, with 24-hour access, to adjust a tenant's thermostat, if the cooling system is broken or fails to maintain a temperature below 80°F during June 1 and September 30.

4. Each multifamily building must develop and maintain an emergency safety plan.

The landlord of a multifamily dwelling must prepare and maintain an emergency safety plan that, at minimum include:

- (1) an evacuation map;
- (2) the location of fire extinguishers;
- (3) the type of fire alarm system installed;
- (4) a point of contact or the type of communication that will be used by the landlord during and after the emergency;
- (5) details regarding alternate housing when a tenant is displaced due to the building emergency; and
- (6) any other standards prescribed by the Director established by executive regulations.

The Department of Housing Community Affairs (DHCA), in coordination with Department of Permitting Services (Division of Fire Prevention and Code Compliance), and the County's Office of Emergency Management and Homeland Security, and any other relevant departments, must develop and provide a landlord with guidance and best practices for establishing an emergency safety plan.

SUMMARY OF IMPACT STATEMENTS

Racial Equity and Social Justice Impact

The Office of Legislative Oversight (OLO) anticipates Bill 7-24 will have a positive impact on racial equity and social justice (RESJ) in the County. Black and Latinx community members will disproportionately benefit from expanded protections for tenants that could help improve outcomes during emergency situations. See © 7.

Further, the report cites, "Substandard housing conditions undermine the health and well-being of BIPOC in many ways. It also places BIPOC at a higher risk of experiencing building emergencies such as fires. A systematic review of research on residential building fires found that features commonly associated with substandard housing including older buildings, buildings in a state of disrepair and buildings with unsafe electrical systems were key building-related risk factors for residential fires and injuries.¹⁶ This likely contributes to higher rates of injury and death from residential fires among BIPOC. Nationally, Black people die from fires at nearly twice the overall

rate of all Americans and experience injuries from fires at more than twice the overall rate.” See page © 8.

Climate Assessment

As evaluated in the Climate Assessment for Bill 7-24, the actions proposed in the Bill “would likely improve emergency responses and overall community climate resilience.”

The assessment further explains that “emergency planning and preparation can improve overall community climate resilience by mitigating hazards posed by natural disasters and improving recovery after a disaster. Improving communication tools and specifying representatives for emergencies can also help the community know who to contact for information during an emergency and how to best respond to an emergency. The development of an emergency plan, along with improving communication during emergencies, increases the capacity of a community to respond and recover more quickly.” © 12.

Economic Impact Statement

The Office of Legislative Oversight (OLO) anticipates Bill 7-24 would have an insignificant impact on economic conditions in the County in terms of the Council’s priority indicators. OLO acknowledges that although operating costs for certain landlords may increase, the report identifies three reasons why the increase would be insignificant. See further analysis on page © 13.

Fiscal Impact Statement

The Office of Management and Budget (OMB) has requested extensions to transmit the fiscal impact statement to the Council. OMB states that the FIS will be provided by no later than April 23, 2024. © 17.

This packet contains:	<u>Circle #</u>
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Economic Impact Statement	14
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Bill No. 7-24
Concerning: Landlord-Tenant Relations –
Tenant Protection and Notification
Revised: 2/21/2024 Draft No. 5
Introduced: March 5, 2024
Expires: December 7, 2026
Enacted: _____
Executive: _____
Effective: _____
Sunset Date: _____
Ch. _____, Laws of Mont. Co. _____

COUNTY COUNCIL FOR MONTGOMERY COUNTY, MARYLAND

Lead Sponsor: Council Vice President Stewart
Cosponsors: Councilmembers Balcombe, Sayles, Katz, Mink, Albornoz, Jawando, Glass, and
Council President Friedson

AN ACT to:

- (1) require a residential lease to include certain information related to insurance, automatic sprinkler system, and emergency safety plan;
- (2) require the 24-hour availability of a building representative during certain emergency situations;
- (3) require notification of essential service disruptions in a rental building;
- (4) require an emergency safety plan and approval of the plan by the Department of Housing and Community Affairs; and
- (5) generally amend the law regarding landlord-tenant relations in the County.

By amending

Montgomery County Code
Chapter 26, Housing and Building Maintenance Standards
Section 26-7

Montgomery County Code
Chapter 29, Landlord-Tenant Relations
Sections 29-27, 29-30, and 29-31

By adding

Montgomery County Code
Chapter 29, Landlord-Tenant Relations
Section 29-35F

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:

27 a tenant and the statement must specify whether the tenant is required to
28 obtain renter's insurance.

29 (y) Provide information about whether the building is fully protected by an
30 automatic sprinkler system.

31 (z) Contain an emergency safety plan for a multifamily building approved
32 by the Department under Section 29-35F.

33 **29-30. Obligations of landlords.**

34 (a) Each landlord must reasonably provide for the maintenance of the health,
35 safety, and welfare of all tenants and all individuals properly on the
36 premises of rental housing. As part of this general obligation, each
37 landlord must:

38 * * *

39 (13) Prepare and maintain an emergency safety plan in compliance
40 with Section 29-35F.

41 **29-31. Landlord notice requirements.**

42 (a) Each landlord of an apartment complex in the County must:

43 (1) post a durable notice in an accessible, conspicuous and convenient
44 place in each building to which the notice applies; or

45 (2) distribute the notice directly to all tenants.

46 The notice must contain the name or title and telephone number of at least
47 one responsible representative of the building management who may be
48 reached [at all times in an emergency] 24 hours a day, 7 days a week.

49 (b) A landlord renting any dwelling unit that is not located in an apartment
50 complex must give the lessee the name, title and telephone number of at
51 least one responsible representative of the landlord who may be reached
52 [at all times in an emergency] 24 hours a day, 7 days a week.

53 * * *

54 (d) Notification of building-wide outages, maintenance, and repairs. A
 55 landlord must provide notice to all tenants, if an apartment complex has
 56 any scheduled or unscheduled building-wide outage, maintenance, repair,
 57 or disruption of essential services related to the following:

- 58 (1) electricity;
 59 (2) water;
 60 (3) heat; or
 61 (4) power generator.

62 (e) Contents of the notice.

- 63 (1) A notice required under subsection (d) must be sent at least 7 days
 64 before a scheduled service interruption; or
 65 (2) at least within 24 hours of an unscheduled service interruption, if
 66 feasible; and
 67 (3) contain the following:
 68 (A) the date of proposed scheduled work or service interruption;
 69 (B) the estimated time of repair; and
 70 (C) information regarding the communication method that will
 71 be used to provide updates about service interruption until
 72 the issue is resolved.

73 (f) Posting and electronic delivery of notice. The landlord must:

- 74 (1) post the notice in an accessible, conspicuous, and convenient
 75 location in the building; and
 76 (2) send electronically to all tenants either by:
 77 (A) email;
 78 (B) text message; or
 79 (C) online tenant portal.

80 **29-35F. Emergency safety plan for multifamily buildings – required.**

81 (a) For purposes of this Section, an emergency safety plan means a plan
 82 approved by the Department in accordance with this Section.

83 (b) The Department, in coordination with Department of Permitting Services
 84 (Division of Fire Prevention and Code Compliance), and the County’s
 85 Office of Emergency Management and Homeland Security, and any
 86 other relevant departments, must develop and provide a landlord with
 87 guidance and best practices for establishing an emergency safety plan.

88 (c) The landlord of a multifamily dwelling must prepare and maintain an
 89 emergency safety plan that, at minimum include:

- 90 (1) an evacuation map;
- 91 (2) the location of fire extinguishers;
- 92 (3) the type of fire alarm system installed;
- 93 (4) a point of contact or the type of communication that will be used
 94 by the landlord during and after the emergency;
- 95 (5) details regarding alternate housing when a tenant is displaced due
 96 to the building emergency; and
- 97 (6) any other standards prescribed by the Director established by
 98 executive regulations.

99 (d) The Executive must adopt Method (2) regulations to implement the
 100 requirements of this Section. The regulations must include procedures for
 101 a landlord to submit and for the Director to approve a landlord’s
 102 emergency safety plan.

103 **Sec. 2. Transition.** The requirements for an emergency safety plan under subsection
 104 (z) of Section 29-27, paragraph (13) of Section 29-30, and Section 29-35F, added under
 105 Section 1 of this Act, must not be enforced, or take effect until Method (2) regulations
 106 under Section 29-35F are approved by the County Council.

Racial Equity and Social Justice (RESJ) Impact Statement

Office of Legislative Oversight

BILL 7-24: LANDLORD-TENANT RELATIONS – TENANT PROTECTION AND NOTIFICATION

SUMMARY

The Office of Legislative Oversight (OLO) anticipates Bill 7-24 will have a positive impact on racial equity and social justice (RESJ) in the County. Black and Latinx community members will disproportionately benefit from expanded protections for tenants that could help improve outcomes during emergency situations.

PURPOSE OF RESJ IMPACT STATEMENTS

The purpose of RESJ impact statements (RESJIS) is to evaluate the anticipated impact of legislation on racial equity and social justice in the County. Racial equity and social justice refer to a **process** that focuses on centering the needs, leadership, and power of communities of color and low-income communities with a **goal** of eliminating racial and social inequities.¹ Achieving racial equity and social justice usually requires seeing, thinking, and working differently to address the racial and social inequities that have caused racial and social disparities.²

PURPOSE OF BILL 7-24

Landlord-tenant relations are governed by county and state laws as well as lease agreements that outline each party's rights and responsibilities.³ Local jurisdictions can pass laws to provide tenants with additional protections and specify additional requirements for landlords.⁴

According to the introduction staff report for Bill 7-24, tenants in the County have raised concerns about the lack of transparency and poor communication between management and tenants during emergency situations in their buildings.⁵

The purpose of Bill 7-24 is to enhance communications and expand protections for tenants during emergency situations. If enacted, the Bill would:⁶

- Expand the contents required in a lease agreement, such as insurance-related disclosures, the existence of an automatic sprinkler system, and a building's emergency safety plan;
- Require landlords to post the contact information of a building representative that is reachable 24/7;
- Require 24/7 availability of a building representative for emergency air conditioning temperature control;
- Require landlords to notify tenants at least seven days prior to a planned interruption of essential services or within 24 hours of an unscheduled interruption of essential services in a rental building; and
- Require multifamily buildings to develop an emergency safety plan approved by the Department of Housing and Community Affairs (DHCA).

The County Council introduced Bill 7-24, Landlord-Tenant Relations – Tenant Protection and Notification on March 5, 2024.

RESJ Impact Statement

Bill 7-24

In October 2023, OLO published a RESJIS for Expedited Bill 38-23, Tenant Displacement – Right of First Refusal to Buy Rental Housing – Amendments.⁷ Please refer to this RESJIS for more context on segregation and the racial wealth divide. This RESJIS also builds on the Climate Assessment for Bill 7-23 published on March 19, 2024.⁸

HOUSING QUALITY AND RACIAL EQUITY

According to the 2021 American Housing Survey, nearly seven million households throughout the U.S. live in inadequate housing.⁹ As described by the Joint Center for Housing Studies (JCHS) of Harvard University, the U.S. Department of Housing and Urban Development (HUD) defines inadequate housing as follows:¹⁰

“HUD classifies housing units as moderately inadequate if they have three or four significant structural problems such as water leaks, large open cracks in the unit, or holes in the floor. Units are considered severely inadequate if they have at least five significant structural problems, an electrical problem such as exposed electrical wiring, or lack features such as hot and cold running water, a shower, a flush toilet, or electricity.”

Historically, housing segregation and the racial wealth divide – established over centuries by government policies and practices such as exclusionary zoning, the exclusion of Black, Indigenous and Other People of Color (BIPOC) from federal homeownership programs, and racial restrictive covenants –¹¹ concentrated BIPOC into redlined communities that have historically been denied the resources they need to maintain quality housing.¹² Today, this has resulted in BIPOC being most impacted by substandard housing conditions. According to JCHS’s analysis of 2021 American Housing Survey data:¹³

- 6 percent of Black homeowners and 5 percent of Latinx homeowners lived in inadequate housing, compared to 3 percent of White homeowners and 2 percent of Asian homeowners; and
- 10 percent of Black and Latinx renters lived in inadequate housing, compared to 7 percent of White renters and 6 percent of Asian renters.

While substandard housing is often attributed more broadly to households with lower incomes, JCHS found that racial disparities in housing quality persist even when accounting for income. Among households in the bottom third of incomes, 10 percent of Black and Latinx households lived in inadequate housing, compared to 6 percent of White households.¹⁴

Substandard housing conditions undermine the health and well-being of BIPOC in many ways.¹⁵ It also places BIPOC at a higher risk of experiencing building emergencies such as fires. A systematic review of research on residential building fires found that features commonly associated with substandard housing – including older buildings, buildings in a state of disrepair and buildings with unsafe electrical systems – were key building-related risk factors for residential fires and injuries.¹⁶ This likely contributes to higher rates of injury and death from residential fires among BIPOC. Nationally, Black people die from fires at nearly twice the overall rate of all Americans and experience injuries from fires at more than twice the overall rate.¹⁷

ANTICIPATED RESJ IMPACTS

To consider the anticipated impact of Bill 7-24 on RESJ in the County, OLO recommends the consideration of two related questions:

- Who are the primary beneficiaries of this bill?

RESJ Impact Statement

Bill 7-24

- What racial and social inequities could passage of this bill weaken or strengthen?

For the first question, OLO considered the demographics of renters since they would benefit from expanded protections during emergency situations. Census data summarized in Table 1 suggests Black and Latinx people are overrepresented among renter households. While Black and Latinx households respectively account for 18 percent and 15 percent of all households in the County, they account for 30 percent and 19 percent of renter households. White people, and to a lesser extent Asian people, are underrepresented among renter households, while Native American and Pacific Islander people 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	12.3	14.6
Black	30.0	18.3
Native American	0.3	0.3
Pacific Islander	0.1	0.1
White	38.9	53.0
Latinx	19.1	14.7

Source: Table S2502, 2022 American Community Survey 5-Year Estimates, Census Bureau.

For the second question, OLO considered how Bill 7-24 could impact racial inequities and disparities in housing quality. Bill 7-24 does not address factors that would directly improve the quality of housing among BIPOC community members. However, the proposed protections for tenants – including emergency air conditioning control and emergency safety plans for multifamily buildings – could help mitigate the consequences of emergencies that residents living in substandard housing are more vulnerable to. As evaluated in the Climate Assessment for Bill 7-24, the actions proposed in the Bill “would likely improve emergency responses and overall community climate resilience.”¹⁸

OLO anticipates Bill 7-24 will have a positive impact on RESJ in the County. Black and Latinx community members will disproportionately benefit from expanded protections for tenants that could help improve outcomes during emergency situations.

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.¹⁹ OLO anticipates Bill 7-24 will 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.

RESJ Impact Statement

Bill 7-24

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 “Applying a Racial Equity Lens into Federal Nutrition Programs” by Marlysa Gamblin, et.al. Bread for the World, and from Racial Equity Tools. <https://www.racialequitytools.org/glossary>

² Ibid.

³ [Landlord - Tenant Handbook](#), Montgomery County, MD Department of Housing and Community Affairs, January 2024.

⁴ ["Housing - Local Laws"](#), The People’s Law Library of Maryland, Accessed March 7, 2024.

⁵ [Introduction Staff Report for Bill 7-24](#), Montgomery County Council, Introduced March 5, 2024.

⁶ Ibid.

⁷ [RESJIS for Bill 38-23E](#), Office of Legislative Oversight, October 13, 2023.

⁸ Kaitlyn Simmons, [Climate Assessment for Bill 7-24](#), Office of Legislative Oversight, March 19, 2024.

⁹ Sophia Wedeen, [“Greater Assistance is Needed to Combat the Persistence of Substandard Housing,”](#) Joint Center for Housing Studies, Harvard University, August 1, 2023.

¹⁰ Ibid.

¹¹ RESJIS for Bill 38-23E citing [The Color of Wealth in the Nation’s Capital](#), Urban Institute, November 1, 2016 and Richard Rothstein, *The Color of Law* (Liveright, 2017).

¹² Margery Austin Turner and Solomon Greene, [Causes and Consequences of Separate and Unequal Neighborhoods](#), Urban Institute.

¹³ Wedeen

¹⁴ Ibid.

¹⁵ [Quality of Housing](#), Healthy People 2030, U.S. Department of Health and Human Services.

¹⁶ Shokouhi, et. al., [“Preventive Measures for Fire-Related Injuries and Their Risk Factors in Residential Buildings: A Systematic Review,”](#) Journal of Injury and Violence Research, January 2019.

¹⁷ [2017-2019 Residential Fire Loss Estimates](#), U.S. Consumer Product Safety Commission, October 2022, pg. 5.

¹⁸ Simmons

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

Climate Assessment

Office of Legislative Oversight

Bill 7-24: Landlord-Tenant Relations – Tenant Protection and Notification

SUMMARY

The Office of Legislative Oversight (OLO) anticipates Bill 7-24 could have a positive impact on the County's community climate resilience as it is proposing changes intended to improve outcomes of emergency situations and ensure proper cooling of buildings during summer months.

BACKGROUND AND PURPOSE OF BILL 7-24

Landlord-tenant relationships are governed by County and state laws as well as lease agreements which outline each party's rights and responsibilities.¹ Local jurisdictions can pass laws to provide tenants with additional protections and specify requirements for landlords.²

According to the introduction staff report for Bill 7-24, tenants in the County have raised concerns about the lack of transparency and poor communication between management and tenants during emergency situations in their building.³

The intended purpose of the Bill is to enhance communications and expand protections for tenants during emergency situations. The Bill would:

- Expand the contents required in a lease agreement, such as insurance information, the existence of automatic sprinkler systems, and an emergency safety plan;
- Require 24/7 availability of a building representative during certain emergency situations and for air conditioning temperature control;
- Require notification at least seven days prior to a planned interruption of essential services or within 24 hours of an unscheduled interruption of essential services in a rental building; and
- Require an emergency safety plan and approval of the plan by the Department of Housing and Community Affairs (DHCA).⁴

Bill 7-24 – Landlord – Tenant Relations – Tenant Protection and Notification was introduced by the County Council on March 5, 2024.

ANTICIPATED IMPACTS

Emergency planning and preparation can improve overall community climate resilience by mitigating hazards posed by natural disasters and improving recovery after a disaster.⁵ Improving communication tools and specifying representatives for emergencies can also help the community know who to contact for information during an emergency and how to best respond to an emergency.⁶ The development of an emergency plan, along with improving communication during emergencies, increases the capacity of a community to respond and recover more quickly.⁷

Extreme heat exposure can also threaten community climate resilience. According to U.S. Census Bureau data released in 2023, almost 1 in 4 people in the United States have low resilience to extreme heat exposure and Black, Indigenous, and People of Color are disproportionately affected by heat-related deaths and illnesses compared to White people.⁸ Further, low-income households, especially cost-burdened households, are more susceptible to extreme heat exposure as they are more likely to (1) have difficulty affording energy bills and (2) live in less energy-efficient buildings that are more expensive to cool.⁹ As extreme heat days continue to increase due to climate change, monitoring air conditioning and ensuring a building is cooled enough in the summer to be safe for habitation improves community resilience and can prevent heat-related illnesses and deaths.¹⁰

Bill 7-24 proposes changes to improve communication between tenants and landlords during an emergency, such as requiring 24/7 availability of a building representative in case of an emergency and the development of an emergency safety plan for the building. Bill 7-24 would also require landlords to provide an emergency contact who is available 24/7 that can adjust a tenant's thermostat if the cooling system fails to maintain a temperature below 80 degrees Fahrenheit between June 1 through September 30. These actions would likely improve emergency responses and overall community climate resilience.

OLO anticipates Bill 7-24 could have a positive impact on the County's overall community climate resilience.

RECOMMENDED AMENDMENTS

The Climate Assessment Act requires OLO to offer recommendations, such as amendments or other measures to mitigate any anticipated negative climate impacts.¹¹ OLO does not offer recommendations or amendments as Bill 7-24 is likely to have a positive impact on the County's overall community climate resilience.

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 overall community climate 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 [Landlord - Tenant Handbook](#), Montgomery County, MD Department of Housing and Community Affairs, January 2024.

² ["Housing - Local Laws"](#), The People's Law Library of Maryland, Accessed March 7, 2024.

³ [Introduction Staff Report for Bill 7-24](#), Montgomery County Council, Introduced March 5, 2024.

⁴ [Introduction Staff Report for Bill 7-24](#), Montgomery County Council, Introduced March 5, 2024.

⁵ ["Planning for a Resilient Community"](#), Federal Emergency Management Agency, November 2017.

⁶ ["Applying a community resilience framework to examine household emergency planning and exposure-reducing behavior among residents of Louisiana's industrial corridor"](#), Reams, M.A., et. al, Journal of Emergency Management, July 4, 2014.

⁷ ["Community Resilience Planning Guide for Buildings and Infrastructure Systems: Volume I"](#), National Institute of Standards and Technology, May 2016.

⁸ ["Almost a Quarter of U.S. Population Vulnerable to Rising Heat"](#), U.S. Census Bureau, July 11, 2023.; ["Racial Disparities in Climate Change-Related Health Effects in the United States"](#), Berberian, A. G., et. al., Current Environmental Health Reports, May 28, 2022.

⁹ ["Heat Islands and Equity"](#), U.S. Environmental Protection Agency, Accessed 3/18/2024.; ["Equity in Resilience: Addressing the unequal health impacts of extreme heat"](#), Center for Climate and Energy Solutions, September 13, 2021.

¹⁰ ["Continued Rises in Extreme Heat and Implications for Health Disparities"](#), KFF, August 24, 2023.

¹¹ Bill 3-22, Legislative Branch – Climate Assessments – Required, Montgomery County Council, Effective date October 24, 2022

Economic Impact Statement

Montgomery County, Maryland

Bill 7-24

Landlord-Tenant Relations – Tenant Protection and Notification

SUMMARY

The Office of Legislative Oversight (OLO) anticipates enacting Bill 7-24 would have an insignificant impact on economic conditions in the County in terms of the Council's priority indicators.

BACKGROUND AND PURPOSE OF BILL 7-24

Landlord-tenant relations are governed by County and state laws as well as lease agreements that outline each party's rights and responsibilities.¹ Local jurisdictions can pass laws to provide tenants with additional protections and specify additional requirements for landlords.²

According to the introduction staff report for Bill 7-24, tenants in the County have raised concerns about the lack of transparency and poor communication between management and tenants during emergency situations in their buildings.³

The purpose of Bill 7-24 is to enhance communications and expand protections for tenants during emergency situations. If enacted, the Bill would:

- Expand the contents required in a lease agreement, such as insurance information, the existence of automatic sprinkler systems, and an emergency safety plan;
- Require 24/7 availability of a building representative during certain emergency situations and for air conditioning temperature control;
- Require notification at least seven days prior to a planned interruption of essential services or within 24 hours of an unscheduled interruption of essential services in a rental building; and
- Require multifamily buildings to develop an emergency safety plan that is approved by the Department of Housing and Community Affairs (DHCA).⁴

Bill 7-24, Landlord–Tenant Relations – Tenant Protection and Notification was introduced by the Council on March 5, 2024.

¹ Landlord - Tenant Handbook.

² "Housing - Local Laws."

³ Introduction Staff Report for Bill 7-24.

⁴ Ibid.

INFORMATION SOURCES, METHODOLOGIES, AND ASSUMPTIONS

Per Section 2-81B of the Montgomery County Code, the purpose of this Economic Impact Statement is to assess the impacts of Bill 7-24 on County-based private organizations and residents in terms of the Council’s priority economic indicators and whether the Bill would likely result in a net positive or negative impact on overall economic conditions in the County.⁵

While the Bill may create operating costs for certain landlords, OLO expects these to be largely insignificant for the following reasons. First, the requirements specified in the Bill are consistent with recommended practices within the industry for basic safety and emergency preparedness for landlords and property managers.⁶ It is likely many landlords and property managers have already implemented these requirements. Second, measures taken to improve resilience from natural disasters can reduce costs to both property owners and tenants.⁷ Third, OLO interprets the following requirement in the Bill as not placing responsibility on landlords to relocate displaced tenants: “The landlord of a multifamily dwelling must prepare and maintain an emergency safety plan that, at minimum include ... details regarding alternate housing when a tenant is displaced due to the building emergency.”

For these reasons, OLO anticipates that the Bill would have insignificant impacts on private organizations, residents, and overall economic conditions in the County in terms of the indicators prioritized by the Council.

VARIABLES

Not applicable

IMPACTS

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

Not applicable

DISCUSSION ITEMS

Not applicable

⁵ Montgomery County Code, Sec. 2-81B.

⁶ See, for example, Singh, “Emergency Preparedness for Landlords”; “How Landlords Can Prepare for Natural Disasters”; Martín et al., “Disasters and the Rental Housing Community.”

⁷ For more on the economic benefits of resilience, see Tierney, “Businesses and Disasters”; Dormady et al., “The Cost-Effectiveness of Economic Resilience.”

WORKS CITED

Dormady, Noah C., Adam Rose, Alfredo Roa-Henriquez, and C. Blain Morin. "[The Cost-Effectiveness of Economic Resilience](#)." *International Journal of Production Economics* 244 (February 1, 2022): 108371.

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Martín, Carlos, Rachel Drew, Anthony Orlando, Jennifer Moody, Seva Rodnyansky, Brian An, Andrew Jakobovics, Noah Patton, and Manann Dohoghoe. "[Disasters and the Rental Housing Community: Setting a Research and Policy Agenda](#)." Brookings Institution, October 2023.

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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.

CONTRIBUTIONS

Stephen Roblin (OLO) prepared this report.



OFFICE OF MANAGEMENT AND BUDGET


Marc Elrich
County Executive

Jennifer R. Bryant
Director

MEMORANDUM

April 10, 2024

TO: Andrew Friedson, President
Montgomery County Council

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

SUBJECT: Extension Request: Fiscal Impact Statement for Bill 7-24, Landlord-Tenant Relations – Tenant Protection and Notification

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 Tuesday, April 23, 2024.

cc: Cindy Gibson, Chief of Staff to the Council President, Montgomery County Council
Marlene Michaelson, Executive Director, Montgomery County Council
Richard S. Madaleno, Chief Administrative Officer, Office of the County Executive
Fariba Kassiri, Deputy Chief Administrative Officer, Office of the County Executive
Ken Hartman Espada, Assistant Chief Administrative Officer, Office of the County Executive
Joshua Watters, Deputy Director, Office of Management and Budget
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Office of the Director

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OFFICE OF MANAGEMENT AND BUDGET


Marc Elrich
County Executive

Jennifer R. Bryant
Director

MEMORANDUM

March 20, 2024

TO: Andrew Friedson, President
Montgomery County Council

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

SUBJECT: Extension Request: Fiscal Impact Statement for Bill 7-24, Landlord-Tenant Relations - Tenant Protection and Notification

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 Tuesday, April 9, 2024.

JRB:ac

cc: Cindy Gibson, Chief of Staff to the Council President, Montgomery County Council
Marlene Michaelson, Executive Director, Montgomery County Council
Richard S. Madaleno, Chief Administrative Officer, Office of the County Executive
Ken Hartman Espada, Assistant Chief Administrative Officer, Office of the County Executive
Joshua Watters, Deputy Director for Results, Office of Management and Budget
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