PHP Item #3
July 27, 2026
Worksession

M E M O R A N D U M

July 22, 2026

TO: Planning, Housing, and Parks (PHP) Committee

FROM: Christine Wellons, Chief Legislative Attorney

SUBJECT: Bill 9-26, Rental Housing - Maintenance Standards and Essential Services - Air-Conditioning

PURPOSE: Committee worksession – recommendation expected

Expected Attendees:
Jenny Snapp, Deputy Director, Department of Housing and Community Affairs (DHCA)
Zack Patton, Chief, Rental Housing Division, DHCA

Bill 9-26, Rental Housing - Maintenance Standards and Essential Services - Air-Conditioning, was introduced on February 10, 2026. The Lead Sponsor is Councilmember Mink. Co-Sponsors are Councilmembers Sayles and Jawando. A public hearing occurred on March 10.

Bill 9-26 would:

(1) require detached single-family homes offered for rent to meet certain air-conditioning standards;
(2) alter the times of year in which air-conditioning requirements apply; and
(3) generally amend the law regarding housing and building maintenance and landlord-tenant affairs.

Background

In 2020, the Council enacted Bill 24-19, which required landlords to provide air-conditioning in rental units during the months of June through September. The bill exempted from the air-conditioning requirement detached single-family homes and dwellings located on sites listed in the National Register of Historic Places. *See* Montgomery County Council - Legislative Information Management System – bill details.

BILL SPECIFICS

Bill 9-26 would amend the air-conditioning requirements enacted under Bill 24-19 in two ways. First, it would require the provision of air conditioning in certain rental properties from May 15 through September 30 each year. Currently, the requirement applies from June 1 through September 30.

Second, the bill would remove the current exemption for detached single-family homes. Landlords of single-family homes would be required to provide air-conditioning in accordance with Section 26-7 and Section 29-31 of the County Code. Dwellings located on sites listed in the National Register of Historic Places would continue to be exempt from the air-conditioning requirement.

The bill would provide for a transition period, in which landlords of detached single-family homes could seek a temporary waiver from the Director of the Department of Housing and Community Affairs. The waiver would be based upon undue hardship to the landlord on a case-by-case basis, and the waiver would be limited to a 12-month period.

SUMMARY OF IMPACT STATEMENTS

Fiscal Impact. According to the Office of Management and Budget (OMB), "Bill 9-26 is expected to have minimal fiscal impact." Any additional workload or demand on the Office of Landlord and Tenant Affairs can be handled by the existing staff and resources.

Economic Impact. The Office of Legislative Oversight (OLO) "anticipates that Bill 9-26 would negatively impact overall conditions of economic conditions in the County, as measured by the Council's priority economic indicators.

"Landlords who comply with the policy would incur upfront installation and related operating costs. Based on landlord behavior after the 2020 AC requirement, affected landlords would likely pass most of these costs on to renters through higher rents, which appear sufficient to recover AC-related expenditures over the medium to long term. Additionally, some landlords—especially those that install central HVAC systems—may recoup a portion of their upfront investment through higher property values.

"Another group of local businesses that may be affected by the Bill are air-conditioning sales, installation, and repair firms. As more detached single-family rentals come into compliance, these firms could experience increased demand for units, installation work, and ongoing service, which would, all else equal, raise their revenues and profits.

"Tenants of affected properties would likely bear most of the economic burden of the policy. First, the experience of the 2020 air-conditioning requirement, indicates that a substantial share of installation costs would likely be passed through from landlords to tenants, particularly for new leases. Second, despite the County's rent stabilization law, landlords retain mechanisms within the law—such as banked increases and capital improvement surcharges—to recover new costs over time. For affected households, these higher rents would significantly increase nondiscretionary housing expenses, effectively reducing the income available for other necessities and discretionary spending. Additionally, once air conditioning is installed, many tenants—particularly those who pay utilities directly—may face higher electricity bills, further increasing total housing-related costs.

"However, for individual tenants, additional rent costs could be partially or fully offset in cases where access to landlord-provided air conditioning eliminates out-of-pocket spending on their own heat-mitigation measures such as purchasing fans or temporary cooling devices. Access to air-conditioning may also reduce the likelihood of incurring medical expenses related to heat-related illnesses."

Racial Equity and Social Justice Impact. OLO "anticipates Bill 9-26 would have a positive impact on racial equity and social justice (RESJ) in the County. Black and Latinx renters would disproportionately benefit from a requirement for landlords to provide air conditioning in single-family homes and accessory dwelling units (ADUs). This could help reduce racial disparities in access to air conditioning and negative health incomes from extreme heat." While OLO does not offer any specific amendments to Bill 9-26, to improve the RESJ impact of the Bill, they recommend the council consider looking at a policy to "require targeted outreach and education to Black and Latinx communities on Bill 9-26 and energy assistance programs."

Climate Assessment. OLO "anticipates Bill 9-26 will likely have a small, positive impact on the County's contribution to community climate resilience as access to air-conditioning can decrease the risk of heat-related illnesses and deaths and increase a community's resilience to extreme heat days." Further, OLO states that "while air conditioning can increase the amount of energy consumption in a household, the increase in greenhouse gas (GHG) emissions from air conditioning requirements is likely to be small and not contributing significantly to the County's GHG emissions." Due to the anticipated small positive climate impact, OLO does not offer any climate related amendments for Bill 9-26.

SUMMARY OF PUBLIC TESTIMONY

The County Council held a public hearing on Bill 9-26 on March 10, 2026. DHCA Director Bruton expressed the County Executive's support of Bill 9-26 and stressed the need for air conditioning earlier in the year due to higher spring temperatures. Additional testimony in support of the bill included written remarks from the Housing Justice Coalition: "Air conditioning is no longer a luxury—it is a necessity, especially as our region experiences increasingly intense heat waves."

The Apartment and Office Building Association (AOBA) of Metropolitan Washington submitted testimony in opposition to the bill: "AOBA opposes this change because many multifamily buildings operate with central plant heating and cooling systems that cannot instantly switch between modes. Transitioning a building from heating to cooling often requires several days and careful coordination by building engineers. Moving the cooling date earlier in the spring reduces operational flexibility and increases the likelihood that buildings will switch systems prematurely.

"Additionally, weather patterns in the Washington, DC region do not support an earlier cooling requirement. According to AccuWeather data, daytime high temperatures in May are below 80°F for most of the month."

ISSUES FOR THE COMMITTEE'S CONSIDERATION

1. Maryland State Law; Virginia Law

Maryland. Effective June 1, 2026, Maryland law requires certain landlords to provide air conditioning. The new state law, Section 8-222 of the Real Property Article of the Maryland Code, largely mirrors existing Montgomery County requirements. Section 8-222:

(a) (1) This section applies only to residential rental units in apartment buildings with 10 or more individual dwelling units.

(2) This section does not apply to a residential rental unit that is located on property listed on the National Register of Historic Places.

(b) A landlord shall provide air-conditioning in each residential unit in accordance with subsection (c) of this section as follows:

(1) Beginning June 1, 2026, for newly constructed residential rental units;

(2) Beginning June 1, 2026, for residential rental units where, at any time on or after January 1, 2025:

(i) The landlord equipped the unit with air-conditioning or provided air-conditioning; or

(ii) A lease required the landlord to provide air-conditioning for the unit; and

(3) Beginning October 1, 2026, for residential rental units that undergo renovation that includes the replacement or substantial upgrade of electrical systems or heating systems.

(c) Except as otherwise necessary for purposes of reasonable maintenance and repair, each year from June 1 to September 30, both inclusive, a landlord shall provide air-conditioning in each residential unit as follows:

(1) For an air-conditioning system that is not under the control of the tenant, the landlord shall maintain the temperature in the unit at not greater than 80 degrees Fahrenheit at 3 feet above the floor level in each habitable space in the unit; and

(2) For an air-conditioning system that is under the control of the tenant, the landlord shall ensure that the air-conditioning system is in good working

order and is capable of maintaining the temperature in the unit at not greater than 80 degrees Fahrenheit at 3 feet above the floor level in each habitable space in the unit.

Commonwealth of Virginia. Under Virginia law, landlords are not generally required to provide air-conditioning. However, if a landlord provides air-conditioning, it must be provided "reasonably" and "in season." *See* § 55.1-1220. Landlord to maintain fit premises.

In Arlington, if air-conditioning is provided by the landlord as requirement under the lease agreement, "it must be maintained in full operating condition from May 15 to October 1, and maintain a temperature of no more than 80 F (27 C) in all habitable rooms." *See* Common Constituent Questions – Official Website of Arlington County Virginia Government.

2. Application to Detached Single-Family Homes

The Committee might wish to ask DHCA representatives to discuss any practical challenges anticipated regarding the application of the air-conditioning requirement to detached single-family homes.

3. Timing of Requirement; Application to Buildings with Central Plant Heating and Air-Conditioning

Testimony submitted by AOBA raised the issue of "central plant heating and cooling systems that cannot instantly switch between modes. Transitioning a building from heating to cooling often requires several days and careful coordination by building engineers."

The Committee might wish to ask DHCA representatives to discuss the application of the bill to buildings with central plant heating. How do these buildings navigate the transition from heat to cooling under the current law? Does DHCA anticipate unanticipated consequences of the transition period concluding earlier in the year (May 15 as opposed to June 1)?

Bill No. 9-26
Concerning: Rental Housing - Maintenance Standards and Essential Services - Air-Conditioning
Revised: 2/10/2026 Draft No. 2
Introduced: February 10, 2026
Expires: December 7, 2026
Enacted:
Executive:
Effective:
Sunset Date: None
Ch. _____, Laws of Mont. Co. _________

COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND

Lead Sponsor: Councilmember Mink
Co-Sponsors: Councilmembers Sayles and Jawando

AN ACT to:

(1) require detached single-family homes offered for rent to meet certain air-conditioning standards;
(2) alter the times of year in which air-conditioning requirements apply; and
(3) generally amend the law regarding housing and building maintenance and landlord-tenant affairs.

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

Chapter 29, Landlord-Tenant Affairs
Section 29-31

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

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

Sec. 1. Sections 26-7 and 29-31 are amended as follows:

26-7. Light, ventilation and heating, temperature control.

* * *

(f) *Temperature control – air conditioning in rental housing.*

(1) For purposes of this subsection, *rental housing* has the meaning stated in Section 29-1, except that *rental housing* does not include**[**:**]**

[(A) a detached single-family home; or**]**

[(B)**]** a dwelling unit located on a site listed in the National Register of Historic Places.

(2) Except as provided in paragraph (3), between **[**June 1**]** <u>May 15</u> and September 30:

(A) Each owner of rental housing where cooling is not under the control of the tenant must maintain a temperature of no more than 80 degrees Fahrenheit (80° F.) in each habitable space at a distance of 3 feet above floor level.

(B) Each owner of rental housing where the cooling is under the control of the tenant must provide an air conditioning system capable of maintaining a temperature of no more than 80 degrees Fahrenheit (80° F.) in each habitable space at a distance of 3 feet above floor level.

(C) An owner of rental housing must provide a tenant an emergency phone number to directly contact a representative, with 24-hour access to adjust the thermostat, if the cooling system is incapable of maintaining the temperature required under paragraph (2)(A) and (2)(B) of this subsection.

*   *   *

29-31. Landlord notice requirements.

*   *   *

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

(1) electricity;

(2) water;

(3) heat;

(4) power generator; **[**or**]**

(5) elevator<u>; or</u>

<u>(6)</u> <u>air-conditioning required under Section 26-7</u>.

*   *   *

Sec. 2. Transition. For 12 months following the effective date of this Act, a landlord of a detached single-family home may request, and the Director may grant, delayed implementation of the requirements of this Act for the property. The Director may grant the request for delayed implementation if the Director finds that immediate compliance with the requirements of the Act would cause undue hardship to the landlord. Undue hardship means significant difficulty or expense for the landlord, which is determined by an individualized assessment of the costs of immediate compliance versus the landlord's financial resources. The period of delayed implementation for a property must not exceed 12 months.

Climate Assessment

Office of Legislative Oversight

BILL 9-26: RENTAL HOUSING – MAINTENANCE STANDARDS AND ESSENTIAL SERVICES – AIR-CONDITIONING

SUMMARY

The Office of Legislative Oversight (OLO) anticipates Bill 9-26 will likely have a small, positive impact on the County's contribution to community climate resilience as access to air-conditioning can decrease the risk of heat-related illnesses and deaths and increase a community's resilience to extreme heat days. However, there are currently 8,719 rental units currently exempt from air conditioning requirements, which makes up a small portion of renters in the County. Further, while air conditioning can increase the amount of energy consumption in a household, the increase in greenhouse gas (GHG) emissions from air conditioning requirements is likely to be small and not contribute significantly to the County's GHG emissions.

BACKGROUND AND PURPOSE OF BILL 9-26

Extreme heat and heat waves pose a serious risk to public health. Prolonged exposure to heat can lead to heat stress, heat exhaustion, and even death.[1] Access to air conditioning can keep residents safe during heat waves and prevent heat-related illnesses and deaths.[2]

In 2020, Bill 24-19 was enacted which required landlords to provide air-conditioning in rental units from June 1st – September 30th. Specifically, the units are required to maintain a temperature no higher than 80 degrees Fahrenheit, whether the unit has a thermostat controlled by the landlord or one controlled by the tenant.[3]

Currently under County Code, there are two exemptions for the types of rental units required to provide air-conditioning which are detached single-family homes and units located on sites listed in the National Register of Historic Places.[4]

Bill 9-26 seeks the following amendments to air-conditioning requirements in the County Code:

- Changing the period for air conditioning requirements in rental properties from June 1st – September 30th to May 15th – September 30th; and
- Requiring detached single-family home rentals, regardless if the thermostat is controlled by the landlord and by the tenant, to meet air-conditioning requirements.[5]

Bill 9-26, Rental Housing – Maintenance Standards and Essential Services – Air Conditioning was introduced by County Council on February 10, 2026.

METHODOLOGIES, ASSUMPTIONS, AND UNCERTAINTIES

Methodology. OLO reviewed literature on air-conditioning impacts on GHG emissions and community climate resilience. OLO also reviewed energy consumption data from the U.S. Energy Information Administration.

Assumptions. OLO assumes this Bill would increase access to air conditioning during extreme heat periods for renters in single-family homes and ADUs in the County.

Uncertainties. OLO does not know the number of single-family home rentals who **do not** currently provide adequate access to air conditioning, nor the exact amount of emissions that would occur from a minimum air conditioning temperature requirement for single-family homes and ADUs.

AIR-CONDITIONING AND HOW IT IMPACTS GREENHOUSE GAS EMISSIONS AND COMMUNITY CLIMATE RESILIENCE

Climate change is affecting weather patterns and increasing the number of extreme heat days experienced across the United States. In Montgomery County, extreme heat is one of the greatest climate risks facing the County and the number of days above 95 degrees Fahrenheit is expected to increase. By 2035, it is expected that the County will experience about 12 days above 95 degrees each year and by 2100, the County could experience anywhere from 28-60 days above 95 degrees each year.[6]

Extreme heat is a public health concern. Exposure to temperatures above 95 degrees for an extended period can lead to heat stroke, exhaustion, and even death. Access to air conditioning can increase an individual's resilience to extreme heat. Analyses by public health experts, such as a recent analysis by Canadian public health authorities, show that a lack of access to air conditioning is a key driver in heat-related deaths during a heat wave.[7] Increasing access to air conditioning for renters can have a positive impact on community climate resilience.[8]

While access to air conditioning is mostly beneficial to community climate resilience, it is important to consider further strain on the electric grid. Heatwaves can make the electric grid less reliable and prone to outages, as energy demand from cooling can increase significantly.[9] Access to reliable electricity is an essential component of overall resilience as much infrastructure relies on consistent and reliable electricity, including telecommunications, water, healthcare, and transportation infrastructure.[10]

Further, air conditioning does contribute to GHG emissions, about 3.9% of all global emissions.[11] As climate change has led to increased temperatures, it has also increased demand for air conditioning to stay safe during extreme heat.

However, there are ways to reduce GHG emissions associated with air conditioning as well as nature-based solutions to protect communities from extreme heat such as:

- Installing shade trees[12];
- Insulating houses, apartments, and other buildings against extreme heat[13];
- Installing energy efficient HVAC systems, such as heat pumps;[14] and
- Investing in clean energy to power the electric grid which would decrease GHGs associated with energy.[15]

These solutions could also improve community resilience and energy resilience efforts, especially solutions that focus on energy efficient cooling as it would decrease the electricity needed to cool a house.[16] Solutions that increase energy efficiency also have the added co-benefit of decreased costs associated with cooling a house.[17]

ANTICIPATED IMPACTS

According to County data as of February 1st, 2026, there are currently 25,807 rental units with licenses issued, although the status of some of these licenses are not active.[18] OLO also notes the number of licenses is not equivalent to the number of total rental units in the County. For example, one license is issued to an apartment complex and all units are covered under a single license.

DHCA staff confirmed that in addition to single-family homes, accessory dwelling units (ADUs) are also currently exempt from the air-conditioning requirement.[19] Out of the 25,807 rental units, there are currently 8,719 licensed properties that are currently exempt from the air-conditioning requirement. 6,435 have active licenses and there are also 382 licenses either pending or pending renewal and 1 new application.[20] It can be assumed the number of licenses issued to single-family homes and ADUs is equivalent to the number of rental units.

Greenhouse Gas Emissions. OLO does not know the details of the single-family rentals, including if air-conditioning is already provided, who controls the thermostat, the average temperature a house is kept at, or how energy efficient an HVAC system is. Without this information available, it is difficult to predict the impact of requiring air conditioning to be set at a certain level during summer months in single-family rentals. Air conditioning does require electricity, which emits GHGs when generated.

To roughly estimate additional GHG emissions from the proposed changes, OLO performed a "back of napkin" calculation, using data from the U.S. Energy Information Administration's most recent 2020 Residential Energy Consumption Survey (RECS).[1] The survey collects data from households across the United States and collects information on the physical characteristics of houses, energy use habits, and fuel consumption data from

[1] Data for the 2024 Residential Energy Consumption Survey will be publicly available in Spring 2026. Energy Information Administration (EIA)- Commercial Buildings Energy Consumption Survey (CBECS)

energy suppliers. The following data points and assumptions were made to calculate potential GHG emissions from requiring single family homes and ADUs to provide air conditioning for 5 months in the summer:

- 2020 RECS data estimated the average home in the Mid Atlantic used 8,275 kilowatt hours for the year. The estimate for five months of usage is 3,448 kWh, and OLO does not account for fluctuations in usage during the summer, as disaggregated data by season was not available.[21]
- 2020 RECS data estimated energy consumption for air conditioning accounted for about 19% of electricity consumption in U.S. homes. They did not provide disaggregated data on air conditioning by region.[22]
- County data, which was updated February 1, 2026, shows there are currently 8,719 licensed rental properties not currently required to provide air conditioning, per County Code.[23] Data on rentals not currently providing air conditioning is not available.
- This calculation assumes the 8,719 exempt rental units were not providing air conditioning already. In reality, it is likely many of the rentals are already providing air conditioning to tenants.

OLO used the EPA's GHG Equivalencies calculator to calculate the potential maximum GHG emissions that would be created from requiring single-family homes and ADUs in the County to provide air conditioning during the summer months. Again, this calculation is built on the assumption that all currently exempt homes are not providing air conditioning and the actual number is likely much less.

The estimate for five months of air conditioning across 8,719 rental units is 5,710,945 kWh used which is equivalent to 1,795 metric tons of carbon dioxide.[242]

According to the Climate Action Plan, 2015 emissions from the residential energy sector were responsible for 2,739,447 metric tons of carbon dioxide emissions.[25] 19% of the annual total emissions is 520,495 metric tons of carbon dioxide. Five months of emissions can be estimated to be 216,873 metric tons of carbon dioxide Comparing the maximum estimate for additional emissions from proposed changes to air conditioning requirements shows the additional 1,795 metric tons of carbon dioxide from the rental units reflects 0.8% of estimated total residential energy emissions related to air conditioning for five months.

This calculation also does not account for the size of the house, energy efficient appliances, access to solar energy, or other factors that could affect total energy emissions associated with air conditioning. However, it is likely that proposed changes from the Bill would not contribute significantly to the County's GHG emissions.

[2] To account for the likelihood that electricity usage for air conditioning is likely much higher than 19% during summer months, OLO also calculated the annual increase as well. For 8,719 households, the estimated annual consumption for air conditioning is 13,708,448 kWh hours, which is equivalent to 5,395 metric tons of CO_2. This is about 0.2% of total annual CO_2 emissions from the County's residential energy sector, according to 2015 data.

Community Resilience. Extreme heat is a public health concern and as climate change increases the number of extreme heat days the County experiences, more people will be exposed to and harmed by extreme heat days. Access to air-conditioning can decrease the risk of heat-related illnesses and deaths and increase a community's resilience to extreme heat days. While increasing energy consumption by household can strain the electric grid and negatively impact the overall energy resiliency of a community, it is unlikely to negatively impact the energy resilience of the County as this proposed change would only apply to 8,719 rental units. Overall, OLO anticipates a small, positive impact on overall community resilience as the proposed changes would likely increase access to air-conditioning for some renters in Montgomery County.

RECOMMENDED AMENDMENTS

The Climate Assessment Act requires OLO to offer recommendations, such as amendments or other measures to mitigate any anticipated negative climate impacts.[26] OLO does not offer recommendations or amendments as Bill 9-26 is likely to have a small, positive impact on the County's contribution to addressing climate change, including the reduction and/or sequestration of GHG 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 GHG 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] National Integrated Heat Health Information System, "Learn About Extreme Heat", Accessed 2/11/2026.
[2] National Resources Defense Council, "Toward a Renter's Right to Heat-Safe Housing", June 9, 2022.
[3] Bill 24-19 - Landlord Tenant Relations - Obligation of Landlord - Air Conditioning, Montgomery County Council, Enacted March 2, 2020.
[4] Ibid.
[5] Introduction Staff Report for Bill 9-26, Montgomery County Council, Introduced February 10, 2026.
[6] Montgomery County Government, "Community Heat Mapping in Montgomery County", 2022.
[7] Henderson, S. B., et. al., "Analysis of Community Deaths During the Catastrophic 2021 Heat Dome: Early Evidence to Inform the Public Health Response During Subsequent Events in Greater Vancouver, Canada", January 19, 2022.; Oregon Office of Emergency Management, "Initial After-Action Review of the June 2021 Excessive Heat Event", July 27, 2021.; KFF, "Disparities in Access to Air Conditioning And Implications for Heat-Related Health Risks", August 16, 2024.
[8] KFF, "Disparities in Access to Air Conditioning And Implications for Heat-Related Health Risks", August 16, 2024.
[9] Environmental and Energy Study Institute, "Heat Waves Make the Grid Less Reliable", August 28, 2025.
[10] Cybersecurity and Infrastructure Security Agency, "Energy Systems", Accessed 2/18/2026.
[11] Zhai, Z., et. al., "Responses of air-conditioning loads to climate change and its impact on carbon emissions in the hot summer and warm winter climate", March 12, 2024.
[12] US EPA, "Using Trees and Vegetation to Reduce Heat Islands", Accessed 2/18/2026.
[13] Department of Energy, "How Insulation Works", Accessed 2/18/2026.
[14] Department of Energy, "Heat Pump Systems", Accessed 2/18/2026.
[15] US EPA, "Adapting to Heat", Accessed 2/18/2026.
[16] Environmental and Energy Study Institute, "Heat Waves Make the Grid Less Reliable", August 28, 2025.
[17] RAND, "The Double-Edged Sword of Air Conditioning in a Warming World", August 19, 2024.
[18] Montgomery County Government Open Data Portal, Housing Licensing and Registration, Accessed 2/18/2026.
[19] DHCA Staff Feedback
[20] Montgomery County Government Open Data Portal, Housing Licensing and Registration, Accessed 2/18/2026.
[21] U.S. Energy Information Administration, "Annual Household Site Fuel Consumption in the United States - Total and Averages, 2020", Released March 2023.
[22] U.S. Energy Information Administration, Frequently Asked Questions (FAQs) - How much Electricity is Used for Air Conditioning in the United States?", Accessed 2/18/2026.
[23] Montgomery County Government Open Data Portal, Housing Licensing and Registration, Accessed 2/18/2026.
[24] US EPA, "Greenhouse Gas Equivalencies Calculator", Accessed 2/18/2026.
[25] Montgomery County Government, "Montgomery County Climate Action Plan", June 2021.
[26] Bill 3-22, Legislative Branch – Climate Assessments – Required, Montgomery County Council, Effective date October 24, 2022

Bill 9-26, Rental Housing - Maintenance Standards and Essential Services - Air-Conditioning

Summary

The Office of Legislative Oversight (OLO) anticipates that Bill 9-26 would negatively impact overall economic conditions in the County, as measured by the Council's priority economic indicators.

By requiring landlords of detached single-family home rentals to meet air-conditioning requirements, the Bill would primarily affect landlords and tenants of detached single-family rental properties that currently lack air conditioning. This analysis summarizes findings from an impact evaluation of the economic effects of Montgomery County's mandatory air-conditioning requirement enacted in 2020 and uses those findings to draw evidence-based conclusions about how Bill 9-26 is likely to affect landlords, tenants, and other stakeholders.

Landlords who comply with the policy would incur upfront installation and related operating costs. Based on landlord behavior after the 2020 AC requirement, affected landlords would likely pass most of these costs on to renters through higher rents, which appear sufficient to recover AC-related expenditures over the medium to long term. Additionally, some landlords—especially those that install central HVAC systems—may recoup a portion of their upfront investment through higher property values.

Another group of local businesses that may be affected by the Bill are air-conditioning sales, installation, and repair firms. As more detached single-family rentals come into compliance, these firms could experience increased demand for units, installation work, and ongoing service, which would, all else equal, raise their revenues and profits.

Tenants of affected properties would likely bear most of the economic burden of the policy. First, the experience of the 2020 air-conditioning requirement, indicates that a substantial share of installation costs would likely be passed through from landlords to tenants, particularly for new leases. Second, despite the County's rent stabilization law, landlords retain mechanisms within the law—such as banked increases and capital improvement surcharges—to recover new costs over time. For affected households, these higher rents would significantly increase nondiscretionary housing expenses, effectively reducing the income available for other necessities and discretionary spending. Additionally, once air conditioning is installed, many tenants—particularly those who pay utilities directly—may face higher electricity bills, further increasing total housing-related costs.

However, for individual tenants, additional rent costs could be partially or fully offset in cases where access to landlord-provided air conditioning eliminates out-of-pocket spending on their own heat-mitigation measures such as purchasing fans or temporary cooling devices. Access to air-conditioning may also reduce the likelihood of incurring medical expenses related to heat-related illnesses.

Background and Purpose of Bill 9-26

Extreme heat and heat waves pose a serious risk to public health. Prolonged exposure to heat can lead to heat stress, heat exhaustion, and even death.[1] Access to air conditioning can keep residents safe during heat waves and prevent heat-related illnesses and deaths.[2]

In 2020, Bill 24-19 was enacted requiring landlords to provide air-conditioning in rental units from June 1st – September 30th. Specifically, the units are required to maintain a temperature no higher than 80 degrees Fahrenheit, whether the unit has a thermostat controlled by the landlord or one controlled by the tenant.[3]

Under current County law, there are two exemptions for the types of rental units required to provide air-conditioning: detached single-family homes and units located on sites listed in the National Register of Historic Places.[4]

If enacted, Bill 9-26 would make the following changes to air-conditioning requirements in the County Code:

- Changing the period for air conditioning requirements in rental properties from June 1st – September 30th to May 15th – September 30th; and
- Requiring detached single-family home rentals, regardless of if the thermostat is controlled by the landlord or by the tenant, to meet air-conditioning requirements.[5]

Bill 9-26 was introduced by County Council on February 10, 2026.

Information Sources, Methodologies, and Assumptions

As required by Section 2-81B of the Montgomery County Code, this Economic Impact Statement evaluates the impacts of Bill 9-26 on residents and private organizations, using the Council's priority economic indicators as the measure. In doing so, it examines whether the Bill would have a net positive or negative impact on overall economic conditions in the County.[6]

In this analysis, OLO relies on an impact evaluation conducted by researcher Xiyue (Michelle) Li, who studies the economic effects of Montgomery County's mandatory air-conditioning requirement enacted in 2020. Impact evaluations are a core tool of evidence-based policymaking.[7] Federal and Maryland guidance treats impact evaluations that use randomized control trials and quasi-experimental design[8] as strong evidence on policy

---

[1] National Integrated Heat Health Information System, "Learn About Extreme Heat", Accessed 2/11/2026.
[2] National Resources Defense Council, "Toward a Renter's Right to Heat-Safe Housing", June 9, 2022.
[3] Bill 24-19 - Landlord Tenant Relations - Obligation of Landlord - Air Conditioning, Montgomery County Council, Enacted March 2, 2020.
[4] Ibid.
[5] Introduction Staff Report for Bill 9-26, Montgomery County Council, Introduced February 10, 2026.
[6] Montgomery County Code, "Sec. 2-81B, Economic Impact Statements."
[7] Gertler, Paul J., Sebastian Martinez, Patrick Premand, Laura B. Rawlings, and Christel M. J. Vermeersch. *Impact Evaluation in Practice, Second Edition*. Washington, DC: Inter-American Development Bank and World Bank, 2016.
[8] In randomized control trials, participants are randomly assigned to the treatment or control group. In contrast, quasi-experimental designs do not use random assignment. They typically identify a control group that is as similar as possible to the treatment group and use statistical tools (such as fixed effects or matching) to control for remaining differences between the groups.

impacts.[9]

Li's study uses unit-level panel data from Montgomery County's Rental Facility Occupancy Survey and a quasi-experimental method (difference-in-differences) to estimate how requiring landlords to provide air conditioning affected monthly rents. The main analysis focuses on units in both the 2020 and 2021 surveys to track compliance with the policy and its immediate rent effects. In this design, the treatment group consists of rental units that did not have air conditioning in 2020 and were required to comply with the policy, while the control group consists of units that already had air conditioning before the mandate and were not required to make new AC investments.[10]

In the sections that follow, OLO summarizes the findings of this impact evaluation and uses them to draw evidence-based conclusions about how Bill 9-26 is likely to affect renters, landlords, and overall economic conditions in the County.

Scope Limitation: While this analysis focuses on direct economic impacts measured through observed rent changes, it is important to note that requiring landlords to provide air conditioning could also produce indirect economic benefits. Improved tenant health and comfort may reduce heat-related illnesses and associated medical expenses, thereby lessening financial strain on residents. However, OLO does not account for these potential indirect benefits in its analysis.

Variables

The primary variables that would affect the economic impacts of enacting Bill 9-26 are the following:

- Total annual AC installation and maintenance costs; and
- Average monthly rents.

Impacts

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

Findings from Li's Impact Evaluation

Cost pass-through arises when a business changes the prices of the products or services it supplies following a change in its own costs.[11] In this case, Li's impact evaluation examines cost pass-through for landlords, asking whether and to what extent they pass on the costs of complying with Montgomery County's air-conditioning requirement to tenants through higher monthly rents.

---

[9] For example, the Maryland State Department of Education (MSDE) and the Maryland Longitudinal Data System (MLDS) Center explicitly emphasize randomized and well-implemented quasi-experimental evaluations as key sources of evidence on program and policy impacts. Maryland State Department of Education, "Definition of Evidence-Based and Levels of Evidence," accessed March 20, 2026. Henneberger, Angela, "Program Evaluation in the Absence of Randomization: How Can Propensity Score Methods Help?" Maryland Longitudinal Data System (MLDS) Center, June 5, 2018.

[10] To control for differences between the treatment and control groups, Li estimates difference-in-differences models with apartment unit fixed effects and month-year fixed effects, which account for building/spatial characteristics and shifts in rents over time.

[11] RBB Economics, *Cost Pass-Through: Theory, Measurement, and Potential Policy Implications* (Report prepared for the Office of Fair Trading, United Kingdom, 2014).

The study found the following:

- **Most landlords complied with the air conditioning requirement using lower cost options**. About 60 percent of units that needed AC complied with the requirement within the first year. Landlords generally installed window or portable AC units rather than more expensive central systems.
- **For new leases, the study finds that rents increased for units required to add air conditioning compared to similar units that already had AC.** These rent increases are estimated at 62 to 101 dollars per month for affected units.
- **Across all occupied units, the study finds smaller rent increases from the air conditioning requirement than for new leases.** For all leases in the market, the policy is estimated to have raised monthly rents by about 41 to 52 dollars for affected units compared to units that already had air conditioning.
- **The air conditioning requirement had larger effects on rents for new leases than for all leases because rent caps and COVID era protections limited what landlords could charge existing tenants.** During the study period, Maryland's COVID-era eviction protections and Montgomery County's COVID-19 Renter Relief Act, which limited rent increase notices to the County's Voluntary Rent Guideline (2.6 percent, then 1.4 percent, and later 0.4 percent),[12] meant that many existing tenants' rents could not be raised enough to fully account for AC-related costs. As a result, more of the passthrough occurred when units turned over and new leases were signed.
- **The study finds that rent increases from the air conditioning requirement are concentrated in higher income neighborhoods.** In census tracts with median household incomes around 100,000 to 162,000 dollars, estimated monthly rent increases for affected units range from 68 to 170 dollars, while effects in lower income tracts are small and not statistically significant.
- **The study suggests that some of the large rent increases may reflect landlords using the air-conditioning mandate as an opportunity to make broader upgrades to their units, not just to add AC.** In other words, when landlords invested to comply with the requirement, some appear to have bundled in additional improvements, and the higher post-policy rents likely capture the combined effect of AC installation and these other upgrades rather than the cost of AC alone.

Businesses, Non-Profits, Other Private Organizations

OLO anticipates that Bill 9-26 would impose short-term compliance costs on affected landlords and generate modest gains for air-conditioning sales, installation, and repair firms. Over the long term, however, the remaining negative impacts on landlords are likely to be minimal, and the gains to these firms would be more than offset by the diffuse negative effects of reduced discretionary spending by affected tenants on other County businesses.

Landlords

The primary businesses affected by the change in law would be landlords in the residential rental sub-sector. By requiring landlords of detached single-family home rentals to meet air-conditioning requirements, those who comply with the policy would incur short-term operating expenses by installing window or portable AC units or more expensive central systems.

[12] Montgomery County Department of Housing and Community Affairs, "Voluntary Rent Guideline," accessed March 25, 2026.

However, based on landlord behavior after the 2020 AC requirement, affected landlords would likely pass through costs onto renters through higher rents over time. Evidence from Li's study of the 2020 mandate suggests that, for units required to add air conditioning, landlords increased monthly rents enough on new leases to recover AC-related expenditures over the medium to long term.

Three important considerations about the impact on landlords should be made.

Long-run cost recovery: While landlords are limited in their ability to increase rents due to the County's Rent Stabilization Law, affected landlords would likely recover virtually all expenses for several reasons. First, because the County's Rent Stabilization Law allows annual rent increases that typically exceed inflation,[13] landlords can gradually adjust rents upward to recoup one-time AC-related expenses over multiple years while preserving their profit margins. Second, the County's rent stabilization framework provides multiple mechanisms for landlords to recover new costs over time. The law permits limited surcharges for qualifying capital improvements and allows landlords to use "banked" rent increases that were not taken in previous years, subject to an overall cap on total annual increases.

Third, exemptions and jurisdictional limits in the rent stabilization framework further reduce potential financial strain on landlords. Many units are exempt from the County's rent caps (including certain small owner-occupied properties, newer buildings, and other specified categories), and rental units located within incorporated municipalities such as Rockville and Gaithersburg are not covered by the County's rent stabilization law.

Finally, conditions in the local rental market give landlords substantial pricing power to recover new costs over time. County and Planning analyses describe a supply-constrained rental market, which contributes to upward pressure on rents and relatively low vacancy rates. As a result, landlords should be able to incorporate air-conditioning-related costs into rents without significantly increasing the risk of prolonged vacancies or tenant loss.[14]

Geographic variation: Li's impact evaluation also suggests that the rent effects of the air-conditioning requirement are not uniform across the County. Estimated rent increases are concentrated in higher-income census tracts, while effects in lower-income areas are small and not statistically significant. This implies that the Bill may have somewhat larger financial impacts on landlords in higher-income neighborhoods that are more likely to see rent pass-through.

Property values: For landlords that choose to install central HVAC systems rather than lower-cost window or portable units, the long-term costs of compliance are likely to be offset in part by higher property values.[15] As a result, some landlords may recoup a portion of their upfront investment through increased asset values in addition to higher rents.

---

[13] The maximum allowable annual rent increase for covered units is set each year as the lesser of (a) the Consumer Price Index for All Urban Consumers for the Washington-Arlington-Alexandria Area (CPI-U) plus 3 percentage points, or (b) 6 percent. Montgomery County Department of Housing and Community Affairs, "Rent Stabilization," updated September 17, 2025.
[14] Montgomery County Planning Department, *Montgomery County Housing Needs Assessment*, July 2020.
[15] Zillow, "Central Air Conditioning Commands $5,500 Premium," July 3, 2018; Laurie Stone, "Increasing Home Value Through Home Energy Upgrades," *RMI*, March 22, 2016.

Other Businesses

Another group of local businesses that may be affected by the Bill are air-conditioning sales, installation, and repair firms. As more detached single-family rentals come into compliance, certain firms may experience a short-term increase in demand for units, installation work, and ongoing service, which would, all else equal, raise their revenues and profits.

However, because the number of newly covered rental units is limited relative to the County's overall housing stock and because many landlords are expected to choose lower-cost options (such as window or portable units) rather than full HVAC replacements, any aggregate increase in spending for AC contractors is likely to be modest and temporary.

At the same time, the higher housing costs faced by affected tenants—outlined in the following section—would likely reduce their discretionary spending, creating diffuse, negative impacts on other local firms through slightly lower household demand for goods and services.

Residents

OLO anticipates that Bill 9-26 would negatively impact certain residents in the County, as measured by the Council's priority economic indicators.

The primary residents affected by the change in law would tenants in the residential rental sub-sector, specifically those renting detached single-family homes that currently lack air-conditioning.

Based on the experience of the 2020 air-conditioning requirement reviewed in Li's study, much of the cost of installing window or portable AC units or more expensive central systems would likely to be passed through from landlords to tenants, particularly for new leases. Li estimates that the mandate raised monthly rents by about 41 to 52 dollars across the rental market and by about 59 to 102 dollars for units with new tenants. When scaled by the observed compliance rate, these effects translate into annual rent increases of roughly 813 to 833 dollars for all units that added air conditioning and 1,170 to 2,023 dollars for newly leased units that complied with the requirement.

For affected households, these higher rents would significantly increase nondiscretionary expenses, effectively reducing net household income available for affected residents. Given the County's long-standing rental housing affordability crisis and the large share of cost-burdened and lower-income renters,[16] additional rent burdens stemming from air-conditioning pass-through would be especially detrimental to tenants who already devote a high share of their income to housing costs.

Three additional considerations about the Bill's potential impacts on tenants are summarized below:

Energy/utility costs. Once air conditioning is installed, many tenants—particularly those who pay utilities directly—may face higher electricity bills, which can increase total housing-related costs.

Geographic variation. Based on Li's study, rent increases may be concentrated in higher-income census tracts.

[16] Montgomery County Planning Department, *Montgomery County Housing Needs Assessment*, July 2020.

Heat-related expenses and offsets. For individual tenants, any additional rent costs would be partially or fully offset in cases where access to landlord-provided air conditioning eliminates out-of-pocket spending on their own heat-mitigation measures (such as purchasing fans or temporary cooling devices) and reduces the likelihood of incurring medical expenses related to heat-related illnesses.

Net Impact

OLO anticipates that Bill 9-26 would have an overall negative net impact on economic conditions in the County. Landlords of detached single-family rentals would incur new air-conditioning installation and operating costs but would likely recover most of these expenses over time through higher rents. Tenants would bear most of the burden through higher nondiscretionary housing costs and, for many who pay utilities directly, higher electricity bills. This would reduce their discretionary income and local household spending. While County-based air-conditioning sales, installation, and repair firms could experience increases in demand, some landlord spending would flow to firms outside the County. Additionally, any gains for these businesses would likely be outweighed by the diffuse, negative effects of reduced tenant spending on other local firms.

Discussion Items

Not applicable

Caveats

Two caveats to the economic impact analysis conducted 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 <u>not</u> represent OLO's endorsement of, or objection to, the Bill under consideration.

Contributions

Stephen Roblin, PhD (OLO) prepared this report.

Fiscal Impact Statement

Office of Management and Budget

Bill 9-26	**Rental Housing - Maintenance Standards and Essential Services - Air-Conditioning**
Bill Summary	Bill 9-26 would modify the air-conditioning requirements established under Bill 24-19 by extending the required cooling period for certain rental properties to May 15 through September 30 and by eliminating the exemption for detached single-family homes. Landlords of these homes would be subject to the standards in Sections 26-7 and 29-31 of the County Code, while properties listed on the National Register of Historic Places would remain exempt. The bill also allows a transition period during which landlords of detached single-family homes may request a temporary undue-hardship waiver from the Department of Housing and Community Affairs (DHCA).
Fiscal Impact Summary	Bill 9-26 is expected to have minimal fiscal impact. Extending the cooling period adds little to existing enforcement work, and few single-family rentals are believed to lack air conditioning, so hardship requests should be rare. Given that these requirements closely align with those in Bill 7-24, only limited additional demand on the Office of Landlord and Tenant Affairs is expected. Any extra workload can be managed with existing staff and resources.

Fiscal Year	27	28	29	30	31	32	Total
Personnel Costs	$0	$0	$0	$0	$0	$0	$0
Operating Expenses	$0	$0	$0	$0	$0	$0	$0
Total Expenditures	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
Revenues	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
Total Impact	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
FTE	0.00	0.00	0.00	0.00	0.00	0.00	

Fiscal Impact Analysis	DHCA does not expect Bill 9-26 to generate significant changes in revenues and expenditures over the next six fiscal years.
Staff Impact	The bill is not expected to impact staff time or duties.
Actuarial Analysis	The bill is not expected to impact retiree pension or group insurance costs.
Information Technology Impact	The bill is not expected to impact the County Information Technology (IT) or Enterprise Resource Planning (ERP) systems.
Other Information	
Later actions that may impact revenue or expenditures if future spending is projected	The primary variable affecting revenue and cost estimates is reinspection fees, which are expected to decline as property owners improve maintenance efforts already reflected in fewer required reinspections following the Rent Stabilization law, thereby reducing both the number of reinspections and related expenses.
Contributors	Scott Bruton, Department of Housing and Community Affairs Jenny Snapp, Department of Housing and Community Affairs Nathan Bovelle, Department of Housing and Community Affairs

Zachary Patton, Department of Housing and Community Affairs
Pofen Salem, Department of Housing and Community Affairs
Tamala Robinson, Department of Housing and Community Affairs
Anita Aryeetey, Office of Management and Budget

Racial Equity and Social Justice (RESJ) Impact Statement

Office of Legislative Oversight

Bill 9-26: Rental Housing - Maintenance Standards and Essential Services - Air-Conditioning

Summary

The Office of Legislative Oversight (OLO) anticipates Bill 9-26 would have a positive impact on racial equity and social justice (RESJ) in the County. Black and Latinx renters would disproportionately benefit from a requirement for landlords to provide air conditioning in single-family homes and accessory dwelling units (ADUs). This could help reduce racial disparities in access to air conditioning and negative health outcomes from extreme heat.

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 essential 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 9-26

Extreme heat and heat waves pose a serious risk to public health. Prolonged exposure to heat can lead to heat stress, heat exhaustion, and even death.[3] Access to air conditioning can keep residents safe during heat waves and prevent heat-related illnesses and deaths.[4]

In 2020, Bill 24-19 was enacted. This law requires landlords to provide air conditioning in rental units from June 1st – September 30th. Specifically, the units are required to maintain a temperature no higher than 80 degrees Fahrenheit, whether the unit has a thermostat controlled by the landlord or one controlled by the tenant.[5]

Under current County law, there are two exemptions for the types of rental units required to provide air conditioning: detached single-family homes and units located on sites listed in the National Register of Historic Places.[6]

If enacted, Bill 9-26 would make the following changes to air conditioning requirements in the County Code:[7]

- Changing the period for air conditioning requirements in rental properties from June 1st – September 30th to May 15th – September 30th; and
- Requiring detached single-family home rentals, regardless if the thermostat is controlled by the landlord or by the tenant, to meet air conditioning requirements.

The Council introduced Bill 9-26 on February 10, 2026.

This RESJIS builds on the one for Bill 7-24, which OLO published in March 2024.[8] Please refer to this RESJIS for background on housing quality and racial equity.

EXTREME HEAT, AIR CONDITIONING AND RACIAL EQUITY

According to Ready.gov, extreme heat "is a period of high heat and humidity with temperatures above 90 degrees for at least two to three days."[9] Because of climate change, extreme heat events are becoming more frequent and more severe, and are expected to worsen in the coming years.[10] Exposure to extreme heat can lead to heat-related illnesses that can be deadly, such as heat exhaustion and heat stroke. As a result, thousands of people in the U.S. die from heat exposure every year.[11] In 2025, heat-related deaths in Maryland reached their highest point in over ten years.[12]

The County's Climate Action Plan identifies extreme heat as one of the greatest climate threats to the County.[13] While all community members are impacted by climate change and consequences like extreme heat, structural racial inequities make BIPOC and low-income community members most susceptible to its most harmful effects.[14] The term “climate gap” refers to the unequal impact that climate change has on BIPOC and low-income communities. As noted by researchers at the University of Southern California, the climate gap means that BIPOC and low-income communities will likely suffer more from extreme heat waves and increased air pollution; pay more for basic necessities; and have reduced or shifting job opportunities because of climate change.[15]

Across the U.S., BIPOC are more likely to live in communities that are at higher risk of extreme heat. Structural racial inequities such as segregation – created by racist polices like redlining – have shaped the built environment of BIPOC communities to make them hotter, including having more impervious surfaces and less tree canopy and green space.[16] One national study found that BIPOC experience greater heat exposure across several metrics, including higher summer temperatures, more heat waves, and more heat island days.[17] Locally, a 2022 community heat-mapping initiative found BIPOC and low-income neighborhoods experienced higher temperatures than other communities in the County. This was due to "a higher concentration of impervious surfaces, such as parking lots, roads and buildings, compared to areas with more green spaces" in BIPOC and low-income neighborhoods.[18] Because of these and other racial inequities, BIPOC are most impacted by the health consequences of extreme heat.[19] In Maryland, Black people experience the highest rate of heat-related emergency room and urgent care visits.[20] In 2025, following White people, Black people experienced the second highest number of heat-related deaths in the state.[21]

As noted by UNICEF "[a]ir-conditioning is a lifesaving solution to excessive heat."[22] However, because of economic disparities – rooted in structural racial inequities such as the racial wealth gap and occupational segregation – BIPOC often have limited access to air conditioning. For example, a KFF analysis of the nationally representative 2020 Residential Energy Consumption Survey found, compared to White households:[23]

- Black, Latinx, and Asian households are more likely to say they lack air conditioning;
- Black, Latinx, and Asian households are more likely to say they keep their homes at temperatures they identified as unsafe or unhealthy;
- Black and Latinx households are more likely to report not using their air conditioning due to financial challenges; and
- Black and Latinx households are more likely to report reducing or foregoing basic needs due to their home energy bills in the past year.

Researchers broadly agree improving access to air conditioning – especially among BIPOC, low-income and other impacted communities – is an important solution for addressing racial disparities in negative health outcomes from extreme heat.[24]

Anticipated RESJ Impacts

To consider the anticipated impact of Bill 9-26 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?

OLO identified the following groups who would be impacted by Bill 9-26:

- **Tenants who rent single-family homes and ADUs** would benefit from having air conditioning provided for their homes.[25] This could help mitigate negative health outcomes from extreme heat. According to data on licensed rental properties, one-third of rental units in the County are single-family homes or ADUs that would benefit from removing the exemption on air conditioning requirements.[26] Most tenants in the County would also benefit from extending the period for landlords to provide air conditioning by two weeks.

  As shown in Table A (Appendix), Black and Latinx households in the County are overrepresented among renter households. White and Asian households are underrepresented among renter households, while Native American and Pacific Islander households are proportionately represented.

  As previously noted, Black and Latinx people in the U.S. are generally less likely to have air conditioning. Black people in the state are also highly impacted by negative health outcomes from extreme heat. Because Black and Latinx households are overrepresented among renter households, ensuring that renters in the County have access to air conditioning – regardless of their housing type – could help reduce racial disparities in access to air conditioning and negative health outcomes from extreme heat.

- **Landlords who rent out single-family homes and ADUs** would be burdened by increased costs from providing air conditioning. As shown in Table B (Appendix), White people are largely overrepresented among landlords and other real estate business owners in the County.

Therefore, OLO anticipates Bill 9-26 would have a positive impact on RESJ in the County. Black and Latinx renters would disproportionately benefit from a requirement for landlords to provide air conditioning in single-family homes and ADUs. This could help reduce racial disparities in access to air conditioning and negative health outcomes from extreme heat.

Recommended Amendments

The County's RESJ Act requires OLO to consider whether to recommend amendments to bills that could reduce racial and social inequities and advance RESJ.[27] OLO anticipates Bill 9-26 would have a positive impact on RESJ in the County. As such, OLO does not offer recommended amendments. However, should the Council seek to improve the RESJ impact of this Bill, OLO offers one policy option for Council consideration:

- **Require targeted outreach and education to Black and Latinx communities on Bill 9-26 and energy assistance programs.** High electricity bills from air conditioning can increase energy burdens for households with lower incomes, who are disproportionately Black and Latinx. This can cause community members to use less air conditioning than they need or forgo using it altogether. To ensure households are informed of their rights under Bill 9-26 and of resources to help offset their energy costs, the Council could require targeted outreach and education on the Bill and on energy assistance programs to Black and Latinx communities.

CAVEATS

Two caveats to this RESJIS should be noted. First, predicting the impact of bills on RESJ is challenging due to data limitations, uncertainty, and other factors. Second, this RESJIS is intended to inform the Council's decision-making process rather than determine it. Thus, any conclusion made in this statement does not represent OLO's endorsement of, or objection to, the bill under consideration.

APPENDIX

Table A. Renter Occupied Households by Race and Ethnicity, Montgomery County

Race or ethnicity[28]	Percent of Renter-Occupied Households	Percent of All Households
Asian	12.3	14.8
Black	31.1	18.7
Native American	0.4	0.5
Pacific Islander	0.1	0.1
White	34.2	48.8
Latinx	20.2	15.5

Source: Table 2502, 2024 American Community Survey 5-Year Estimates, Census Bureau.

Table B. Real Estate and Rental and Leasing Employer Firms by Race and Ethnicity, Montgomery County[29]

Race or ethnicity	Percent of Real Estate and Rental and Leasing Business Owners (NAICS 53)	Percent of All Sectors (NAICS 00)	Percent of Adult Population
Asian	12.4	21.8	16.3
Black	5.1	7.6	18.4
Native American	-	1.4	0.6
Pacific Islander	-	0.1	0.0
White	82.3	69.1	44.3
Latinx	3.9	10.0	19.0

Source: OLO analysis of Table AB2200CSA01, 2022 Annual Business Survey and Table S2101, 2024 American Community Survey 5-Year Estimates, Census Bureau.

[1] Definition of racial equity and social justice adopted from M. Gamblin et al., "Applying Racial Equity to U.S. Federal Nutrition Programs," Bread for the World and Racial Equity Tools.
[2] Ibid.
[3] "Learn About Extreme Heat," National Integrated Heat Health Information System.
[4] S. Whillans, "Toward a Renter's Right to Heat-Safe Housing," Natural Resources Defense Council, June 9, 2022.
[5] Bill 24-19 - Landlord Tenant Relations - Obligation of Landlord - Air Conditioning, Legislative Information System, Montgomery County Council, Enacted March 2, 2020.
[6] Ibid.
[7] Introduction Staff Report for Bill 9-26, Montgomery County Council, Introduced February 10, 2026.
[8] RESJIS for Bill 7-24, Office of Legislative Oversight, March 25, 2024.
[9] Extreme Heat, Ready.gov, last updated February 20, 2026.
[10] Extreme Heat and Climate Change, Center for Climate and Energy Solutions.
[11] C. Poitras, "Warming U.S. climate linked to rising deaths from heat," Yale School of Public Health, November 7, 2025.

[12] N. Pilsbury, "Heat-related deaths reached highest number in over a decade this summer," Maryland Matters, October 25, 2025.
[13] "Montgomery County Climate Action Plan," Department of Environmental Protection, June 2021, pgs. 47-52.
[14] Ibid, pgs. 19-43.
[15] R. Morello-Frosch, et al, "The Climate Gap: Inequalities in How Climate Change Hurts Americans & How to Close the Gap," Dornsife Center, University of Southern California, May 2009.
[16] N. Ndugga and S. Artiga, "Continued Rises in Extreme Heat and Implications for Health Disparities," KFF, August 24, 2023.
[17] A. Clark, et al., "Identifying groups at-risk to extreme heat: Intersections of age, race/ethnicity, and socioeconomic status," Environment International, September 2024.
[18] "Results of 2022 Montgomery County 'Urban Heat Island Mapping Campaign' Document Extreme Heat Impacts on Areas with Less Green Infrastructure," Press Releases, Montgomery County Government, March 22, 2023.
[19] N. Ndugga and S. Artiga, "Continued Rises in Extreme Heat and Implications for Health Disparities."
[20] Maryland 2025 Heat-Related Illness Surveillance Summary Report, Maryland Department of Health, November 19, 2025, pg. 5.
[21] Ibid, pg. 10.
[22] M. Nanavati, "The cooling dilemma amid climate change: Are air conditioners the solution to heat, or the cause?" UNICEF.
[23] N. Ndugga, et al., "Disparities in Access to Air Conditioning And Implications for Heat-Related Health Risks," KFF, August 16, 2024.
[24] Ibid.
[25] OLO staff received clarification from Department of Housing and Community Affairs (DHCA) staff on February 19, 2026 that ADUs would also be covered by Bill 9-26.
[26] Based on February 2026 data, of 25,807 total licensed rental units in the County, 8,719 are single family homes or ADUs. OLO Analysis of Housing Licensing and Registration dataset, dataMontgomery, February 2026.
[27] Bill 27-19, Administration – Human Rights – Office of Racial Equity and Social Justice – Racial Equity and Social Justice Advisory Committee – Established, Montgomery County Council.
[28] For Tables A and B, race is inclusive of Latinx origin. Estimates for Native American and Pacific Islander community members are not available for some data points.
[29] Margins of error for data points in Table B may be large.