

<b>Subject:</b> Introduction –Bill 20-19, Landlord-Tenant Relations – Licensing of Rental Housing – Fee Exemption	
<b>Purpose:</b> To introduce agenda item – no vote expected	
<b>Analyst:</b> Christine M.H. Wellons, Legislative Attorney	<b>Committee:</b>
<b>Keywords:</b> #AccessoryAptFeeExemption Other search terms: rental housing fee, landlord-tenant relations, accessory apartments, rental housing licensing, license applicant	

### EXPECTED ATTENDEES

None.

### DESCRIPTION/ISSUE

Bill 20-19 would exempt a license applicant from any fee requirement to operate an accessory apartment as rental housing if the apartment is occupied by an individual with disabilities.

### **This report contains:**

Detailed Staff Report

Bill 20-19

Legislative Request Report

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**MEMORANDUM**

June 21, 2019

TO: County Council

FROM: Christine M.H. Wellons, Legislative Attorney 

SUBJECT: Bill 20-19, Landlord-Tenant Relations – Licensing of Rental Housing – Fee Exemption

PURPOSE: Introduction – no Council votes required

Bill 20-19, Landlord-Tenant Relations – Licensing of Rental Housing – Fee Exemption, sponsored by Lead Sponsor Councilmember Friedson and Co-Sponsors, Councilmembers Jawando, Riemer, Alborno, Council President Navarro and Councilmember Rice, is scheduled to be introduced on June 25, 2019. A public hearing is tentatively scheduled for July 16, 2019 at 1:30 p.m.<sup>1</sup>

**Background**

Bill 20-19 would eliminate any license fee required to operate an accessory apartment as rental housing if the apartment is occupied by an individual with disabilities.

In order to qualify for the fee exemption, the license applicant would be required to certify annually to the Department of Housing and Community Affairs (DHCA) that an occupant of the accessory apartment meets one or more criteria establishing that the occupant is an individual with disabilities. The criteria include that the occupant: (1) receives certain disability benefits under the Social Security Act; (2) receives disability compensation from the U.S. Department of Veterans Affairs; (3) is the beneficiary of an ABLE account; or (4) has a physician's certification of certain severe impairments or blindness. DHCA would be required to protect individuals' health information to the maximum extent permitted by law.

This packet contains:	<u>Circle #</u>
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<sup>1</sup>#AccessoryAptFeeExemption

Other search terms: rental housing fee, landlord-tenant relations, accessory apartments, rental housing licensing, license applicant

Bill No. 20-19  
Concerning: Landlord-Tenant Relations –  
Licensing of Rental Housing – Fee  
Exemption  
Revised: 06/19/2019 Draft No. 4  
Introduced: June 25, 2019  
Expires: December 26, 2020  
Enacted: \_\_\_\_\_  
Executive: \_\_\_\_\_  
Effective: \_\_\_\_\_  
Sunset Date: None  
Ch. \_\_\_\_\_, Laws of Mont. Co. \_\_\_\_\_

## COUNTY COUNCIL FOR MONTGOMERY COUNTY, MARYLAND

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Lead Sponsor: Councilmember Friedson  
Co-Sponsors: Councilmembers Jawando, Riemer, Albornoz, Council President Navarro and  
Councilmember Rice

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**AN ACT** to:

- (1) exempt a license applicant from any license fee requirement to operate an accessory apartment as rental housing in certain circumstances; and
- (2) generally amend the law related to the licensing of rental housing.

By amending

Montgomery County Code  
Chapter 29, Landlord-Tenant Relations  
Section 29-20

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

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

**Sec. 1. Section 29-20 is amended as follows:**

**29-20. Fees.**

(a) [The] Except as provided in subparagraph (b), the annual license fee per dwelling unit is:

[(a)] (1) for a Class 1 multi-family rental facility license:

[(1)] (A) \$44.00 per dwelling unit in an apartment complex or an accessory apartment approved by special exception; and

[(2)] (B) \$59.00 per dwelling unit for all others;

[(b)] (2) for a Class 2 single-family rental facility license, \$101.00 per dwelling unit;

[(c)] (3) for a Class 3 accessory apartment license \$101.00 per unit.

(b) Fee exemption.

(1) A license applicant is exempt from any fee associated with the licensure of an accessory apartment occupied by an individual with disabilities.

(2) To establish that an individual with disabilities occupies an accessory apartment, a license applicant annually must certify, on a form provided by the Director, that an occupant of the accessory apartment:

(A) receives Social Security Disability benefits based on blindness or disability under Title II of the Social Security Act, as amended;

(B) receives Supplemental Security Income benefits based on blindness or disability under Title XVI of the Social Security Act, as amended;

(C) receives disability compensation from the U.S. Department of Veterans Affairs;

28 (D) is the beneficiary of an ABLE account under Section 529A  
29 of the Internal Revenue Code, as amended; or

30 (E) has a written certification, signed by a physician licensed in  
31 the State of Maryland, that the individual:

32 (i) has a severe medically determinable impairment that  
33 results in marked and severe functional limitations,  
34 which have lasted, or can be expected to last, for at  
35 least 12 months or to result in death; or

36 (ii) is blind, which means the individual has central  
37 visual acuity of 20/200 or less in the better eye with  
38 the use of a correcting lens.

39 (3) If the Director requests evidence sufficient to verify the  
40 information certified under this subsection, the license applicant or  
41 licensee must provide such evidence.

42 (4) The Director must protect the confidentiality of any individual  
43 health information received under this Section to the maximum  
44 extent permitted by law.

45 (c) [The] By method (3) regulation, the Executive may establish [a higher  
46 annual fee by method (3) regulation] annual fees that are:

47 (1) higher than those specified in subparagraph (a); and

48 (2) in [an amount] amounts sufficient to pay the costs of administering  
49 this Chapter.

50 *Approved:*

51

\_\_\_\_\_  
Nancy Navarro, President, County Council

\_\_\_\_\_  
Date

## LEGISLATIVE REQUEST REPORT

Bill 20-19

### *Landlord-Tenant Relations – Licensing of Rental Housing – Fee Exemption*

**DESCRIPTION:** Bill 20-19 would exempt a license applicant from any fee to operate an accessory apartment as rental housing if the apartment is occupied by an individual with disabilities.

**PROBLEM:** A license fee is required to rent an accessory apartment occupied by an individual with disabilities.

**GOALS AND OBJECTIVES:** Eliminate any license fee associated with operating an accessory apartment as rental housing if the apartment is occupied by an individual with disabilities.

**COORDINATION:** Department of Housing and Community Affairs

**FISCAL IMPACT:** Office of Management and Budget

**ECONOMIC IMPACT:** Finance

**EVALUATION:** To be done.

**EXPERIENCE ELSEWHERE:** To be researched.

**SOURCE OF INFORMATION:** Christine M.H. Wellons, Legislative Attorney

**APPLICATION WITHIN MUNICIPALITIES:** N/A

**PENALTIES:** N/A