

# Office of the County Auditor

## Auditor's Analysis

### Council Bill No. 12-2020

Introduced: March 2, 2020

Auditor: Michelle R. Harrod

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#### Fiscal Impact:

The fiscal impact of this legislation cannot be determined at this time.

Potential impact could be increased administrative costs as a result of increased claims to the Department of Community Resources and Services, Office of Consumer Protection (DCRS).

We have requested information from DCRS regarding potential cost. *As of the writing of this fiscal analysis, we have not yet received a response.*

The Howard County Housing Commission (the Commission) has indicated they expect a nominal fiscal impact but could not provide detailed quantification.

The Department of Inspections, Licenses and Permits (DILP) has indicated that changes to this section of Code can be handled with existing resources within their Department.

#### Purpose:

The legislation proposes changes to the County Code as noted in **Table A - Title 17 – Public Protection Services, Subtitle 10 Landlord – Tenant Relations**.

#### Other Comments:

Title 8 - Landlord – Tenant Regulations of the Real Property Article of the Maryland Code contains guidelines for rent escrow accounts.<sup>1</sup> Therefore, removal of language in County Code does not prohibit a tenant from establishing a rent escrow account.

In reference to the removal of Section 17.1009 (b)(3), DILP has indicated that tenants are not notified by the County of a violation; only the party legally responsible for the correction is notified.

The Commission has indicated that the term “damage” on page 1 line 27 is not defined and leaves room for ambiguity.

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<sup>1</sup> Md. REAL PROPERTY Code Ann. Section 8-118, Md. REAL PROPERTY Code Ann. Section 8-118.1, Md. REAL PROPERTY Code Ann. Section 8-211, Md. REAL PROPERTY Code Ann. Section 8-211.1

**Table A – Title 17 – Public Protection Services,  
Subtitle 10 – Landlord – Tenant Relations**

<b>Code Reference</b>	<b>Added / Removed</b>	<b>Details</b>
Sec 17.1008(a)(2)	Added	<ul style="list-style-type: none"> <li>• Within three days after approval and before entering into a lease, the landlord can show the tenant a substantially similar dwelling;</li> <li>• The landlord must provide the tenant with access to view the specific unit prior to occupancy to document damages of systems included in the lease, and if damage is found the tenant may select a different unit; and</li> <li>• The Landlord Tenant Assistance Publication must be provided in English and other languages.</li> </ul>
Sec 17.1008(c)	Added	<ul style="list-style-type: none"> <li>• The tenant may terminate the lease based upon inspection of the unit if there are damages.</li> </ul>
Sec 17.1009(b)	Added	<ul style="list-style-type: none"> <li>• The lease shall state, the owner must maintain a license for 15 consecutive days or more.</li> </ul>
Sec 17.1010(4)	Added	<ul style="list-style-type: none"> <li>• The landlord can include in a lease costs incurred by the tenant if they did not pay rent or cost related to damages to property in excess of normal wear and tear.</li> </ul>
Sec 17.1010(9)	Added	<ul style="list-style-type: none"> <li>• Payments are delinquent and subject to penalty if four (instead of five) days late unless the tenant is in arrears from the previous month.</li> </ul>
Sec 17.1008(a)(2)(iv)	Removed	<ul style="list-style-type: none"> <li>• The requirement to provide the tenant a copy of the rental license.</li> </ul>
Sec 17.1009(b)(3)	Removed	<ul style="list-style-type: none"> <li>• The ability of tenants to terminate the lease or create an escrow account if the landlord does not abate a violation issued from the Department of Inspections, Licenses and Permits.</li> </ul>
Sec 17.1010(14)	Removed	<ul style="list-style-type: none"> <li>• The requirement to state that the lease is a “contract under seal.”</li> </ul>