

# HOUSE BILL 1283

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11r2127

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By: **Delegate Wells**

Introduced and read first time: February 8, 2021

Assigned to: Environment and Transportation

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## A BILL ENTITLED

1 AN ACT concerning

2 **Real Property – Residential Leases – Rent Restrictions**

3 FOR the purpose of prohibiting a landlord from increasing rent on a certain restricted  
4 rental unit by more than a certain percentage each year, subject to certain  
5 exceptions; providing that rent restrictions for restricted rental units do not apply  
6 once rent is at least a certain amount each month; defining certain terms; and  
7 generally relating to rent restrictions for residential leases.

8 BY adding to

9 Article – Real Property

10 Section 8–209

11 Annotated Code of Maryland

12 (2015 Replacement Volume and 2020 Supplement)

13 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,  
14 That the Laws of Maryland read as follows:

15 **Article – Real Property**

16 **8–209.**

17 **(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS**  
18 **INDICATED.**

19 **(2) “LANDLORD” MEANS:**

20 **(I) AN OWNER OF RECORD, A LESSOR, A SUBLESSOR, OR ANY**  
21 **OTHER PERSON OR ENTITY ENTITLED TO RECEIVE RENT FOR THE USE OR**  
22 **OCCUPANCY OF A RESTRICTED RENTAL UNIT; OR**

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (II) AN AGENT, A REPRESENTATIVE, OR A SUCCESSOR OF A  
2 PERSON OR AN ENTITY LISTED IN ITEM (I) OF THIS PARAGRAPH.

3 (3) "RENT" MEANS ANY MONEY OR OTHER CONSIDERATION THAT A  
4 TENANT GIVES FOR THE RIGHT TO USE, POSSESS, AND OCCUPY A RESTRICTED  
5 RENTAL UNIT.

6 (4) "RESTRICTED RENTAL UNIT" MEANS ANY REAL PROPERTY:

7 (I) RENTED OR OFFERED FOR RESIDENTIAL USE OR  
8 OCCUPANCY, INCLUDING:

9 1. AN APARTMENT, A TOWNHOUSE, A HOUSE, OR A  
10 MOBILE HOME; OR

11 2. A BUILDING, A STRUCTURE, OR A ROOM LOCATED  
12 WITHIN A STRUCTURE FORMING A SINGLE HABITABLE UNIT WITH FACILITIES THAT  
13 ARE USED OR INTENDED TO BE USED FOR LIVING, SLEEPING, COOKING, AND EATING  
14 PURPOSES;

15 (II) THAT WAS NEWLY CONSTRUCTED BEFORE 1985;

16 (III) WHERE, AS OF JANUARY 1, 2021, RENT WAS LESS THAN  
17 \$2,250 EACH MONTH; AND

18 (IV) OCCUPIED BY A TENANT THAT EARNS LESS THAN \$150,000  
19 EACH YEAR.

20 (5) "TENANT" MEANS:

21 (I) A RENTER, A TENANT, A SUBTENANT, A LESSEE, OR A  
22 SUBLESSEE OF A RESTRICTED RENTAL UNIT;

23 (II) A GROUP OF TENANTS, SUBTENANTS, LESSEES, OR  
24 SUBLESSEES OF A RESTRICTED RENTAL UNIT; OR

25 (III) ANOTHER INDIVIDUAL ENTITLED TO THE USE OR  
26 OCCUPANCY OF THE RESTRICTED RENTAL UNIT.

27 (B) EXCEPT AS PROVIDED IN SUBSECTIONS (C) AND (D) OF THIS SECTION, A  
28 LANDLORD MAY NOT INCREASE RENT ON A RESTRICTED RENTAL UNIT BY MORE  
29 THAN 0.4% EACH YEAR.

1           **(C) IF THE LEASE FOR A RESTRICTED RENTAL UNIT IS FOR A TERM OF 1**  
2 **MONTH AND RENEWED ON A MONTHLY BASIS BY THE TENANT, THE LANDLORD MAY**  
3 **NOT INCREASE RENT ON THE RESTRICTED RENTAL UNIT BY MORE THAN 0.2% EVERY**  
4 **6 MONTHS.**

5           **(D) IF THE RENT FOR A RESTRICTED RENTAL UNIT IS BELOW FAIR MARKET**  
6 **VALUE, THE LANDLORD MAY INCREASE RENT IN THE FIRST YEAR OF THIS**  
7 **DIVERGENCE BY UP TO 3% IF NECESSARY TO REACH FAIR MARKET VALUE.**

8           **(E) THE RESTRICTIONS ON RENT INCREASES IN THIS SECTION DO NOT**  
9 **APPLY ONCE THE RENT OF A RESTRICTED RENTAL UNIT REACHES AT LEAST \$2,250**  
10 **EACH MONTH.**

11           SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
12 October 1, 2021.