

BALTIMORE CITY COUNCIL COMMITTEE ON ECONOMIC AND COMMUNITY DEVELOPMENT

Mission Statement

On behalf of the Citizens of Baltimore City, the Committee on Economic and Community Development (ECD) is responsible for supporting strong thriving communities ECD will review proposed zoning and land use changes, tackle issues related to economic development, oversee housing policy, and promote equitable economic opportunity for all Baltimore residents.

The Honorable Sharon Green Middleton

PUBLIC HEARING

April 27, 2021 2:00 PM Virtual Webex Meeting

City Council Bill #21-0031

Landlord-Tenant - Lease Renewals

CITY COUNCIL COMMITTEES

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Sharon Green Middleton, Chair John Bullock Mark Conway Ryan Dorsey Antonio Glover Odette Ramos Robert Stokes

Staff: Jennifer Coates

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Eric Costello, Chair Kristerfer Burnett Ryan Dorsey Danielle McCray Sharon Green Middleton Isaac "Yitzy" Schleifer Robert Stokes

Staff: Marguerite Currin

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Staff: Samuel Johnson

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Isaac "Yitzy" Schleifer, Chair Kristerfer Burnett Mark Conway Eric Costello Sharon Green Middleton Odette Ramos James Torrence Staff: Richard Krummerich

Effective: 01/04/21

CITY OF BALTIMORE

BRANDON M. SCOTT, Mayor



OFFICE OF COUNCIL SERVICES

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BILL SYNOPSIS

Committee: Economic and Community Development

Bill: 21-0031

Landlord-Tenant - Lease Renewals

Sponsor:

Councilmember Glover

Introduced: January 25, 2021

Purpose:

For the purpose of requiring, absent certain good cause circumstances, landlords to offer tenants a reasonable opportunity renew leases; providing for the manner of notice for which a landlord must send renewal notices or decline-to-renew notices; establishing a presumption of offer and acceptance, absent certain circumstances; providing for the effect of the subtitle; providing for certain administrative and criminal penalties; and providing for a special effective date.

Effective:

The date it is enacted.

Agency Reports

Department of Housing and Community Development	
Housing Authority of Baltimore City	
City Solicitor	Unfavorable
Office of the Sheriff	
Department of Finance	

Analysis

Current Law

Article 13 - Housing and Urban Renewal; Sections 8C-1 through 8C-9, to be under the new subtitle; "Subtitle 8C. Lease Renewals"; Baltimore City Code (Edition 2000)

Article 1 - Mayor, City Council, and Municipal Agencies; Section(s) 40-14(e)(1); Baltimore City Code (Edition 2000)

Background

If approved, Bill 21-0031 would require a landlord to offer those having a tenancy or lease agreement, as of March 5, 2020, the opportunity to renew the agreement. According to the bill, the landlord would be:

- required to offer the lease renewal at least 75 100 days prior to the end of the lease agreement
- authorized to subject the new lease to a reasonable, non-retaliatory <u>increase in</u> the rent
- authorized to subject the new lease to a reasonable, non-retaliatory <u>change in lease terms</u>

Written Notice

The proposed requirements <u>would not apply</u> if the landlord can show, with specificity, facts for good cause (see page 3 of the bill). A notice to the tenant, to renew or decline to renew due to good cause, must be made in writing and delivered via first-class or electronic mail.

Penalties

The ordinance will take effect on the date it is enacted. An environmental citation or other civil or criminal remedies can be imposed if there is a failure to comply with the rules, regulation or orders granted by the law. Violations would be considered a misdemeanor and convictions are subject to a fine of not more than \$1,000 for each offense.

Additional Information

Fiscal Note: Not Available

Information Source(s): Reporting Agencies, 21-0031

Analysis by: Jennifer L. Coates Direct Inquiries to: 410-396-1260

Analysis Date: April 20, 2021

CITY OF BALTIMORE COUNCIL BILL 21-0031 (First Reader)

Introduced by: Councilmember Glover, President Mosby, Councilmembers Middleton, Ramos, Stokes, Bullock

Introduced and read first time: January 25, 2021

Assigned to: Economic and Community Development Committee
REFERRED TO THE FOLLOWING AGENCIES: City Solicitor, Department of Housing and Community Development, Housing Authority of Baltimore City, Sheriff's Office, Department of Finance

A BILL ENTITLED

l	AN ORDINANCE concerning		
2	Landlord-Tenant - Lease Renewals		
3	FOR the purpose of requiring, absent certain good cause circumstances, landlords to offer tenants		
4	a reasonable opportunity renew leases; providing for the manner of notice for which a		
5	landlord must send renewal notices or decline-to-renew notices; establishing a presumption of offer and acceptance, absent certain circumstances; providing for the effect of the subtitle;		
6			
7	providing for certain administrative and criminal penalties; and providing for a special		
8	effective date.		
9	By adding		
10	Article 13 - Housing and Urban Renewal		
11	Sections 8C-1 through 8C-9, to be under the new subtitle,		
12	"Subtitle 8C. Lease Renewals"		
13	Baltimore City Code		
14	(Edition 2000)		
15	By repealing and re-ordaining, with amendments		
16	Article 1 - Mayor, City Council, and Municipal Agencies		
17	Section(s) 40-14(e)(1)		
18	Baltimore City Code		
19	(Edition 2000)		
20	Recitals		
21	Whereas, Baltimore City faces a housing crisis related to the devastating impact of COVID-		
22	19;		
23	Whereas, this housing crisis has had and will continue to have a disparate impact on the		
24	City's Black and Latinx families who have served as "essential workers" during the pandemic		
25	and who, as a result, have higher rates of COVID-19 infection and mortality, and who have also		
26	been more likely to be laid off in the service sector economy and thereby face uncertainty when i		
27	comes time to pay rent;		

1 2	Whereas, keeping families in their housing serves a critical public health purpose both during the current pandemic and after; and		
3 4	Whereas, a refusal to offer lease renewal without good cause further undermines the housin security of Baltimore residents and the public health.		
5 6	SECTION 1. BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF BALTIMORE , That th Laws of Baltimore City read as follows:		
7	Baltimore City Code		
8	Article 13. Housing and Urban Renewal		
9	SUBTITLE 8C. LEASE RENEWALS		
10	§ 8C-1. DEFINITIONS.		
11	(A) IN GENERAL.		
12	IN THIS SUBTITLE, THE FOLLOWING TERMS HAVE THE MEANINGS SPECIFIED.		
13	(B) DWELLING UNIT.		
14 15	"Dwelling unit" has the meaning stated in $\S~202.2$ of the Property Maintenance Code of Baltimore City.		
16	(C) LANDLORD.		
17	(1) IN GENERAL.		
18 19 20	"LANDLORD" MEANS AN OWNER, LESSOR, SUBLESSOR, ASSIGNEE, OR AGENT OF ANY OTHER PERSON RECEIVING OR ENTITLED TO RECEIVE RENTS OR BENEFITS FOR THE USE OR OCCUPANCY OF ANY DWELLING UNIT.		
21	(2) INCLUSIONS.		
22 23 24	"LANDLORD" INCLUDES ANY PERSON WHO HAS AN OPTION TO BUY OR WHO HAS ENTERED INTO A CONTRACT TO BUY ANY DWELLING WITH THE INTENT TO OFFER THE DWELLING UNIT FOR RENT.		
25	(D) PERSON.		
26	(1) IN GENERAL.		
27	"PERSON" MEANS:		
28	(I) AN INDIVIDUAL;		
29 30	(II) A PARTNERSHIP, FIRM, ASSOCIATION, CORPORATION, OR OTHER ENTITY OF ANY KIND; OR		

1 2	(III) A RECEIVER, TRUSTEE, GUARDIAN, PERSONAL REPRESENTATIVE, FIDUCIARY, OR REPRESENTATIVE OF ANY KIND.	
3	(2) INCLUSIONS.	
4 5 6	"PERSON" INCLUDES, EXCEPT AS USED IN § 8C-9 {"PENALTIES"} OF THIS SUBTITLE, A GOVERNMENTAL ENTITY OR AN INSTRUMENTALITY OR UNIT OF A GOVERNMENTAL ENTITY.	
7	§ 8C-2. Lease renewal required.	
8	(A) IN GENERAL.	
9 10 11 12	EXCEPT FOR GOOD CAUSE DESCRIBED IN SUBSECTION (B) OF THIS SECTION, AT LEAST 75 DAYS BUT NO MORE THAN 100 DAYS PRIOR TO THE END OF A TERM LEASE OR PERIODIC TENANCY, A LANDLORD SHALL OFFER A TENANT A REASONABLE OPPORTUNITY TO RENEW THE LEASE SUBJECT TO A REASONABLE, NON-RETALIATORY INCREASE IN THE RENT OR CHANGE IN LEASE TERMS.	
14	(B) GOOD CAUSE EXCEPTIONS.	
15	(1) IN GENERAL.	
16 17	THE REQUIREMENT SET FORTH IN SUBSECTION (A) OF THIS SECTION DOES NOT APPLY IF:	
18 19 20 21	(I) THE TENANT HAS CAUSED A SUBSTANTIAL BREACH OF THE LEASE THAT WARRANTS NON-RENEWAL, AND AFTER RECEIVING WRITTEN NOTICE TO CURE OR CORRECT THE BREACH, THE TENANT HAS FAILED TO COMPLY WITHIN 45 DAYS;	
22 23 24	(II) THE LANDLORD SEEKS TO RECOVER POSSESSION OF THE LEASED PREMISES FOR USE BY THE LANDLORD OR THE LANDLORD'S SPOUSE, CHILD, PARENT, OR GRANDPARENT AS THEIR PRIMARY RESIDENCE;	
25 26	(III) THE LANDLORD SEEKS TO PERMANENTLY REMOVE THE LEASED PREMISES FROM THE RENTAL MARKET;	
27 28 29	(IV) THE LANDLORD, AFTER HAVING OBTAINED ALL NECESSARY PERMITS, SEEKS TO UNDERTAKE SUBSTANTIAL REPAIRS OR RENOVATIONS THAT CANNOT BE COMPLETED WHILE THE LEASED PREMISES IS OCCUPIED; OR	
30 31	(V) THE LEASED PREMISES ARE OWNER-OCCUPIED AND THE LANDLORD LEASES OUT A SINGLE RENTAL UNIT ON THE PREMISES.	
32	(2) NOTICE TO TENANT.	
33 34 35	IF A LANDLORD DECLINES TO OFFER TO RENEW THE LEASE FOR GOOD CAUSE AS DESCRIBED IN PARAGRAPH (1) OF THIS SUBSECTION, THE LANDLORD SHALL SEND A NOTICE AT LEAST 75 DAYS BUT NO MORE THAN 100 DAYS PRIOR TO THE END OF THE	

1 2 3 4 5	LEASE TERM TO THE TENANT ADVISING THE TENANT THAT THE LANDLORD IS DECLINING TO OFFER A RENEWAL AND STATING WITH SPECIFICITY THE FACTS RELATED TO THE GOOD CAUSE FOR DECLINING TO OFFER A RENEWAL, INCLUDING, IF A SUBSTANTIAL BREACH OF THE LEASE IS ALLEGED, THE SPECIFIC FACTS RELATED TO THE BREACH.		
6	§ 8C-3. METHOD OF NOTICE.		
7 8 9 10	A LANDLORD'S OFFER TO RENEW THE LEASE OR NOTICE DECLINING TO OFFER A RENEWAL MUST BE IN WRITING AND DELIVERED TO THE TENANT BY FIRST-CLASS MAIL WITH CERTIFICATE OF MAILING OR BY ELECTRONIC MEANS IF CONSENTED TO IN ADVANCE BY THE TENANT IN THE WRITING.		
11	§ 8C-4. PRESUMPTION OF OFFER AND ACCEPTANCE.		
12	(A) IN GENERAL.		
13 14 15 16	EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (B) OF THIS SECTION, THERE SHALL BE A PRESUMPTION THAT THE LANDLORD'S OFFER OF A LEASE RENEWAL IS ON THE SAME TERMS AND CONDITIONS AS THE CURRENT LEASE AND THE TENANT'S ACCEPTANCE OF THAT OFFER.		
17	(B) EXCEPTIONS.		
18	THE PRESUMPTION DESCRIBED IN SUBSECTION (A) OF THIS SECTION DOES NOT EXIST IF:		
19 20	(1) THE LANDLORD PROVIDES TIMELY NOTICE DECLINING TO RENEW FOR GOOD CAUSE AS SPECIFIED IN \S 8C-2(B) OF THIS SUBTITLE;		
21 22	(2) THE TENANT FAILS TO RESPOND TO A TIMELY NOTICE OFFERING TO RENEW THE LEASE AS SPECIFIED IN \S 8C-2(A) OF THIS SUBTITLE; OR		
23 24	(3) A NOTICE DECLINING TO RENEW THE LEASE IS PROVIDED BY THE TENANT TO THE LANDLORD UNDER THE TERMS OF THE LEASE OR OTHER APPLICABLE LAW.		
25	§ 8C-5. {RESERVED}.		
26	§ 8C-6. ENFORCEMENT BY CITATION.		
27	(A) IN GENERAL.		
28 29 30 31	IN ADDITION TO ANY OTHER CIVIL OR CRIMINAL REMEDY OR ENFORCEMENT PROCEDURE, THIS SUBTITLE MAY BE ENFORCED BY ISSUANCE OF AN ENVIRONMENTAL CITATION AS AUTHORIZED BY CITY CODE ARTICLE 1, SUBTITLE 40 {"ENVIRONMENTAL CONTROL BOARD"}.		

1	(B) PROCESS NOT EXCLUSIVE.	
2	THE ISSUANCE OF AN ENVIRONMENTAL CITATION TO ENFORCE THIS SUBTITLE DOES NOT	
3	PRECLUDE PURSUING ANY OTHER CIVIL OR CRIMINAL REMEDY OR ENFORCEMENT ACTION	
4	AUTHORIZED BY LAW.	
5	§ 8C-7. PENALTIES.	
6	ANY PERSON WHO VIOLATES ANY PROVISION OF THIS SUBTITLE OR ANY PROVISION OF A RULE,	
7	REGULATION, OR ORDER ADOPTED OR ISSUED UNDER THIS SUBTITLE IS GUILTY OF A	
8 9	MISDEMEANOR AND, ON CONVICTION, IS SUBJECT TO A FINE OF NOT MORE THAN $\$1,000$ FOR EACH OFFENSE.	
10	§ 8C-8. {RESERVED}	
11	§ 8C-9. EFFECT OF SUBTITLE.	
12	A LANDLORD'S OBLIGATION TO OFFER A RENEWAL UNDER THIS SECTION EXTENDS TO ANY	
13	TENANCY OR LEASE IN EXISTENCE AT THE TIME THAT THE CATASTROPHIC HEALTH	
14	EMERGENCY DECLARED BY THE GOVERNOR OF MARYLAND ON MARCH 5, 2020, PROVIDED	
15 16	THAT THE TENANT CONTINUES TO OCCUPY THE PROPERTY AS OF, 2021 {When codified, the Department of Legislative Reference shall insert the effective date of	
17	this Subtitle 8C}.	
18	Article 1. Mayor, City Council, and Municipal Agencies	
19	Subtitle 40. Environmental Control Board	
20	§ 40-14. Violations to which subtitle applies.	
21	(e) Provisions and penalties enumerated.	
22	(1) Article 13. Housing and Urban Renewal	
23	•••	
24	SUBTITLE 8C. LEASE RENEWALS \$1,000	
25	•••	
26	SECTION 2. AND BE IT FURTHER ORDAINED, That the catchlines contained in this Ordinance	
27	are not law and may not be considered to have been enacted as a part of this or any prior	
28	Ordinance.	
29	SECTION 3. AND BE IT FURTHER ORDAINED, That this Ordinance takes effect on the date it is	
30	enacted.	

COMMITTEE ON ECONOMIC AND COMMUNITY DEVELOPMENT

21-0031 AGENCY REPORTS

Department of Housing and Community Development	
Housing Authority of Baltimore City	
City Solicitor	Unfavorable
Office of the Sheriff	
Department of Finance	

The Honorable President and Members of the Baltimore City Council Room 409, City Hall 100 N. Holliday Street Baltimore, Maryland 21202

Re: Mayor and City Council Bill 21-0031 – Landlord Tenant Lease Renewal

Dear President and City Council Members:

The Law Department has reviewed City Council Bill 21-0031 for form and legal sufficiency. The bill would mandate that a landlord offer an existing tenant the ability to renew the lease by legislating that "at least 75 days but no more than 100 days prior to the end of a term lease or periodic tenancy, a landlord shall offer a tenant a reasonable opportunity to renew the lease subject to a reasonable, non-retaliatory increase in the rent or a change in lease terms."

The concept of requiring the landlord to offer the tenant the ability to renew the lease at the end of its term is in conflict with state law embodied in several sections of the Public Local Law of Baltimore City. City Public Local Law §§ 9-11 through 9-14; see also Herman v. Baltimore, 189 Md. 191, 195 (1947) (public local laws are enacted by the Maryland General Assembly and generally govern over public general laws). This state law has given Landlords in Baltimore City the right to terminate a year-long tenancy with 90 days' notice and a shorter time period for other types of tenancies. Any City law that would mandate lease renewals would be in direct conflict with this state law and therefore be invalid. Md. Constitution, Art. 11-1, § 3; accord Worton Creek Marina, LLC v. Claggett, 381 Md. 499, 512-513 (2004) (citations omitted) ("when a local government ordinance conflicts with a public general law enacted by the General Assembly, the local ordinance is preempted by the State law and is rendered invalid.").

As a local government in Maryland, the Mayor and City Council "is but a subordinate part of the State government, incorporated for public purposes, and clothed with special and limited powers of legislation in regard to its own local affairs. It has no inherent legislative power, and can exercise such powers only as have been expressly, or by fair implication, delegated to it by the Legislature." *Revell v. Mayor, etc., of Annapolis*, 81 Md. 1, 9 (1895). Article II of the City Charter is the express powers act for Baltimore City, which provides topics over which the City has been given the state authority to legislate. *Kimball-Tyler Co. v. Baltimore*, 214 Md. 86, 94 (1957); *see e.g.*, 87 Op. Atty. Gen. Md. 187, 191, n. 8 (2002) ("rather than requiring a single express powers act applicable to both Baltimore City and counties adopting charter home rule, the drafters of [Md. Constitution] Article XI-A referenced the powers previously delegated to Baltimore City, then codified at Section 6 of the Public Local Laws of Baltimore City, and later recodified as Article II of the Baltimore City Charter."). The City may also receive additional legislative or executive powers directly from the General Assembly in the form of Public General or Public Local Laws. *See, e.g., Herman v. Baltimore*, 189 Md. 191, 195 (1947).

In addition to giving the City the general power to legislate over certain topics, the General Assembly can also restrict part or all of any topic from local legislation by public general law or

restrict just the Mayor and City Council's ability to legislate on that topic by public local law. 93 Md. Op. Atty. Gen. 126, 130 (2008) ("an otherwise valid local law may be preempted by State law in three ways: expressly, by conflict, or by implication.").

Thus, the Mayor and City Council can generally legislate on landlord/tenant matters unless a public general or public local law has already legislated in the same area. Md. Constitution, Art. 11-1, §3; City Charter, Art. II, § (27); *Cheeks v. Cedlair Corp.*, 287 Md. 595, 600 (1980). This is why only parts of City Council Bill 21-0021 (Late Fees for Past Due Rent) and City Council Bill 21-0022 (Security Deposit Alternatives) could be approved for form and legal sufficiency. This reflects that the General Assembly has made some pronouncements on those areas of landlord tenant law, which impact the City's legislation in those same areas.

In this bill, however, requiring a landlord to offer lease renewals is in direct conflict with the Public Local Laws of Baltimore City that permit the Landlord to terminate leases at the end of a tenancy with certain amount of notice. Therefore, the Law Department cannot approve this bill for form and legal sufficiency.

Very truly yours,

Hilary Ruley Chief Solicitor

cc: Nina Themelis
Nikki A. Thompson
Matthew Stegman
Elena DiPietro
Victor Tervala
Ashlea Brown