



LANDLORD-TENANT

HANDBOOK



Department of Housing and Community Affairs

Office of Landlord-Tenant Affairs

Montgomery County, Maryland
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The law is subject change periodically and this publication is updated accordingly. For the most recent version, please go to our website. Copies of this handbook or excerpts can be printed from our website at www.montgomerycountymd.gov/dhca.

This publication is available in alternative formats.

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Montgomery County, MD
Department of Housing and Community Affairs
Office of Landlord-Tenant Affairs



OFFICE OF THE COUNTY EXECUTIVE
ROCKVILLE, MARYLAND 20850

Isiah Leggett
County Executive

March 2017

Dear Neighbors:

The Department of Housing and Community Affairs (DHCA) through its Office of Landlord-Tenant Affairs publishes the Montgomery County Landlord-Tenant Handbook. This handbook is a practical guide for both landlords and tenants concerning their respective rights and responsibilities and is updated periodically to reflect any changes to the law.

Building and maintaining good landlord-tenant relations is one of our most important goals. Toward that end, extensive changes have been made to Chapter 29, *Landlord-Tenant Relations*, Montgomery County Code, to enhance and clarify these relationships. We are pleased to share this eleventh edition, which reflects the most recent changes in State and County Landlord-Tenant laws.

If you need further information, please do not hesitate to contact the Office of Landlord-Tenant Affairs, DHCA, at 240-777-0311.

Sincerely,

Isiah Leggett
County Executive

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DISCLAIMER

www.montgomerycountymd.gov

Please Note: Every reasonable effort has been made to assure the accuracy of the information in this handbook. However, if there are any inconsistencies between the handbook and applicable law or regulation, the law and/or regulation is controlling. The information contained in this handbook does not constitute legal advice. It is intended to serve only as general information.



Rental properties located within the following incorporated city limits, should contact the appropriate municipality directly for specific Landlord-Tenant information (see below):

City of Gaithersburg	301-258-6340
City of Rockville	240-314-8330
City of Takoma Park	301-891-7255

INTRODUCTION

The Department of Housing and Community Affairs (DHCA) is committed to fair and quality housing opportunities for all Montgomery County residents. The Department's Office of Landlord-Tenant Affairs is dedicated to providing assistance to both tenants and landlords in resolving disputes as well as enforcing Chapter 29 of the Montgomery County Code, the County law that governs Landlord-Tenant relations.

DHCA licenses all rental facilities covered by Chapter 29, provides information on Landlord-Tenant issues, investigates and tries to conciliate Landlord-Tenant disputes, as well as refers complaints that we are unable to conciliate to the Montgomery County Commission on Landlord-Tenant Affairs.

Montgomery County government has a long and strong commitment to the principle of fair housing. This commitment directs and supports all that we do in the areas of Landlord-Tenant relations, housing code enforcement, affordable housing production and preservation, and community building.

We are excited about this updated edition of the Landlord-Tenant Handbook and the potential added-value it will deliver to ensure a better understanding of rights and responsibilities among landlords and tenants throughout Montgomery County. Please feel free to provide us with any comments or suggestions that you feel help make this Handbook a more useful resource.

Clarence J. Snuggs

Clarence J. Snuggs, Director
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Community Affairs (DHCA)

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I. LANDLORD-TENANT RELATIONSHIP BASICS



The Landlord-Tenant relationship is governed by certain laws. In the Landlord-Tenant relationship, each party has rights and responsibilities that arise from the law and the lease agreement.

Obligations of Landlords

Landlords must:

- ✓ Provide for the maintenance of the health, safety, and welfare of tenants;
- ✓ Comply with Federal, State, and local laws relating to rental property including housing code standards, non-discrimination laws, state or local laws governing lease agreements and security deposits, zoning laws and health and fire safety codes;
- ✓ Keep all common areas of a multi-family rental property in a clean and safe condition;
- ✓ Make all necessary repairs so that the rental property is maintained in a habitable condition and in compliance with all applicable housing codes;
- ✓ Maintain electrical, plumbing, and other equipment in good working condition. This includes any appliances that are in the rental property when the tenant moves into the property, including air conditioning systems;
- ✓ Provide and maintain trash receptacles, except in single-family rental properties where the tenant must provide such receptacles;
- ✓ Supply hot and cold water as reasonably required for use by the tenant and adequate heat as required by Montgomery County law (at least 68°). The lease agreement determines responsibility for payment of utilities;
- ✓ Provide tenants with at least 24 hours' notice before making non-emergency repairs;
- ✓ Provide at least 72 hours' notice prior to any DHCA inspection scheduled by Housing Code Enforcement;
- ✓ Provide contact name and number to tenants for someone who is available at all times in an emergency;
- ✓ Comply with all other provisions which may be contained in the lease; and,
- ✓ Provide the tenant with the name, address and telephone number of the person who is authorized to accept notice or legal service of process on behalf of the landlord. This information must be contained in the written lease or posted in a conspicuous location on the property.

Obligations of Tenants

Tenants must:

- ✓ Pay rent timely in accordance with the lease agreement;
- ✓ Keep the rental property clean and sanitary;
- ✓ Keep plumbing fixtures clean and sanitary and operate all electrical and plumbing fixtures properly;

- ✓ Inform the landlord promptly of any defects/problems at the rental property;
- ✓ Provide access to the landlord for non-emergency repairs when proper notice (at least 24 hours) is given by the landlord;
- ✓ Provide access to the landlord for inspections scheduled and required by DHCA Housing Code Enforcement (at least 72 hours' notice);
- ✓ Not damage or permit anyone else to damage the rental property;
- ✓ Dispose of trash in a clean and sanitary manner;
- ✓ In a single-family rental, cut the grass and weeds periodically so that growth does not exceed 12 inches. A tenant in a single-family property may also be responsible for raking, disposing of leaves, shoveling snow; periodically cleaning the gutters;
- ✓ In a multi-family building, display in the lobby, vestibule, rental office or other prominent public place, a sign issued by DHCA about filing a complaint and prohibited retaliatory practices; and,
- ✓ Comply with all other provisions contained in the lease.

Tenant's Rights

Tenants have the right to:

- ✓ Receive at least 24 hours-notice prior to a landlord/agent/contractor entering the premises, except in cases of emergency;
- ✓ Receive 72 hours-notice prior to annual/biennial or triennial inspections by County Code Enforcement;
- ✓ Sublet only with written permission from the landlord if doing so is not specifically prohibited by a home-owner's association;
- ✓ Review the proposed lease at any location of their choosing, prior to signing said lease;
- ✓ Make repairs with permission of the DHCA Director and deduct the cost from the rent (up to one month's rent) if the landlord fails to make required repairs as ordered by DHCA within the required time frame;
- ✓ Receive a copy of the current Landlord-Tenant Handbook at move-in unless you decline a copy and accept referral to a copy on the County website;
- ✓ An explanation of the allocation of the cost for gas and electric billing in properties built prior to 1978 along with all information required under the Public Utilities Article of the Maryland Code and applicable COMAR provisions;
- ✓ Form, join, meet, or assist one another within or without tenant organizations; to meet and confer with the landlord through representatives that you choose;
- ✓ Have access to meeting rooms and other areas suitable for meetings within the property during reasonable hours, and notice to the landlord, to hold tenant organization meetings;
- ✓ Have the first tenant organization meeting of each month free of any room reservation fees; any subsequent meets are subject to the regular fee charged for reserving this area by the property;
- ✓ Distribute freely and post in central locations of the property, literature concerning Landlord-Tenant issues, if the origin of the literature is properly identified;
- ✓ Call the Office of Landlord-Tenant Affairs (240-777-0311) should you have any questions regarding your rights and responsibilities under Landlord-Tenant law;
- ✓ File complaints with the Office of Landlord-Tenant Affairs (240-777-0311) individually or as a group;
- ✓ Call 240-777-0311 to file Code Enforcement complaints, which can be made anonymously; and
- ✓ Receive at least 90 days-notice of any proposed rent increase.



Maintenance

Landlords and tenants have certain obligations for maintenance. Knowing and adhering to these responsibilities will help keep the Landlord-Tenant relationship running smoothly. As stated previously,

Landlords are obligated to:

- ✓ Present the unit at the beginning of the tenancy, in clean, safe and sanitary condition, free of vermin and rodents;
- ✓ Keep all areas of the building, grounds, and facilities in a clean, safe and sanitary condition;
- ✓ Make all repairs and arrangements necessary to put and keep the dwelling unit in as good a condition as it was, or should have been, when the tenancy began;
- ✓ Maintain all electrical, plumbing, and other facilities and conveniences supplied by the landlord in good working order;
- ✓ If A/C is provided by the Landlord, it must be maintained in working order;
- ✓ Supply and maintain appropriate trash receptacles and pay for its frequent removal. A landlord in a multifamily unit **MUST** pay for trash removal and cannot pass this cost on to the tenant. A landlord in a single-family rental property must pay for the frequent removal of trash but does not have to provide or maintain appropriate receptacles. A lease for a single-family rental property may require a tenant to pay for trash collection service if that service is provided directly by a private trash hauler and the rental property is not located in a County trash collection district;
- ✓ Supply hot and cold water as reasonably required by the tenant and adequate heat as required by the Housing Code (at least 68°). In a rental property located in a common ownership community, the landlord must provide water, hot water and adequate heat to the extent that the land lord is responsible for providing these services. This does not affect any provision in a lease that requires a tenant to pay for gas, heating oil, electricity, water or sewer service that the tenant uses; and
- ✓ Check all smoke detectors prior to occupancy to assure they are in working order and replace all smoke detectors after 10 years.

Tenants are obligated to:

- ✓ Keep the dwelling unit in a clean, sanitary, and safe condition. A tenant in a single-family rental property must cut grass and weeds periodically and not allow grass and weeds to grow more than 12 inches high;
- ✓ Dispose of all rubbish, garbage, and other organic or flammable waste in a clean and sanitary manner. A tenant in a single-family rental property must provide and maintain appropriate receptacles to remove ashes, rubbish, and garbage;
- ✓ Keep all plumbing fixtures clean and sanitary;
- ✓ Use all plumbing and electrical fixtures properly;
- ✓ In a single-family rental property, a tenant must clear the walkway of snow and ice. If required by the lease, the tenant must rake the leaves and clean the gutters;
- ✓ Not permit any person to willfully destroy, deface, damage, impair, or remove any part of the rental property, equipment or appurtenances;
- ✓ Inform the landlord promptly of any defects or problems;
- ✓ Report all problems to the landlord promptly and preferably, in writing;
- ✓ Cooperate with the landlord when scheduling repairs;
- ✓ Comply with all covenants, rules, and requirements of the lease; and
- ✓ If the landlord fails to make repairs, call 240-777-0311 and report the matter to the County's Housing Code Enforcement Unit.

In a single-family rental property, if it is written in the lease, Landlords may only charge \$50 per occurrence for maintenance that is the responsibility of the tenant, up to \$250 per year (e.g. cutting grass, cleaning gutters). Landlords can NOT charge a blanket fee for all maintenance, it conflicts with the County Code. However, in any rental, if a landlord must make a repair for damage caused by tenant negligence, the tenant is liable for the entire cost of that repair. Call the Office of Landlord-Tenant Affairs if you have questions at 240-777-0311. The Office of Landlord-Tenant Affairs has published a booklet entitled *"What Is Ordinary Wear and Tear"* to help landlords and tenants distinguish between ordinary wear and tear and damage. This booklet has recently been updated and is available on the County's website at www.montgomerycountymd.gov/dhca.

Helpful Hints

Tenants:

- ✓ Use eProperty to find out information about the Landlord (See *Section III, Application Process*)
- ✓ Keep the lines of communication open. It is much easier to get issues resolved if a spirit of cooperation exists between landlord and tenant;
- ✓ Inspect the property with your landlord when you move in and make detailed notations of any problems. Take photographs of the property at the commencement and termination of the tenancy;
- ✓ Report any maintenance problems promptly to the landlord and put the request for repairs in writing;
- ✓ Make all requests of your landlord in writing and keep copies of all correspondence;
- ✓ It is wise to consider getting renter's insurance. This insurance is relatively inexpensive and can save you a lot of money and aggravation if certain unforeseen problems arise in your rental property;
- ✓ Always pay your rent on time. Most leases state that rent is due on the first of the month, and it is late on the second. While the Montgomery County Code prohibits the landlord from charging a late fee until after the tenth of the month, **this is not a grace period**. If you pay after the first, your rent is late. You can be sued for Failure to Pay Rent before the 10th of the month. Not paying your rent on time constitutes a breach of lease. Untimely rent payments can be the basis for not renewing your lease and can make it difficult to obtain housing in the future;
- ✓ Always request a written receipt for your rent payments and maintain a record of your payments;
- ✓ As a general rule, if you are sued by the landlord, always go to court. However, if you have your case number and you paid the rent prior to the court date, call the Landlord-Tenant Clerk at 301-563-8800 to verify that your case has been dismissed. If it has not been dismissed, go to court and take your receipt for payment of the rent; and
- ✓ Always request a final walk-through inspection of the property. This request must be in writing and sent to the landlord, by certified mail, at least 15 days before the date of moving. Make written notes regarding the condition of the property and take pictures.



Renter's Tax Credit

In the State of Maryland, renters who meet certain criteria may qualify for a tax credit from the State of up to \$1,000.00. If you are age 60 or over, 100% disabled, OR under 60 years old with a 100% disabled dependent, and meet the income guidelines, you may be eligible for this credit. If you are a renter under the age of 60 who, during the tax year had at least one dependent under the age of 18 living with you AND you did not receive federal or state housing subsidies or reside in public housing AND the combined income of all residents of your dwelling is below the income guidelines, you may be eligible for the credit

as well. For more detailed information regarding this tax credit, call 1-800-944-7403 or go to the State's website at: <http://www.dat.maryland.gov/realproperty/Pages/Renters%27-Tax-Credits.aspx>

Landlords:

- ✓ Keep the lines of communication open. It is much easier to get issues resolved if a spirit of cooperation exists between landlords and tenants;
- ✓ At move-in, inspect the property with your tenant, and make detailed notations of any problems that exist. Take photographs of the property at the commencement and termination of the tenancy;
- ✓ Make all requests of your tenant in writing and keep copies of all correspondence;
- ✓ Respond to requests from your tenant in a timely manner;
- ✓ Keep records of all responses to tenant requests for repairs to the property;
- ✓ It is advisable not to let tenants get too far behind in rent payments.
- ✓ Remember; rent is due on the 1st of the month, it is late on the 2nd.
- ✓ You can sue for Failure to Pay Rent before the 10th of the month;
- ✓ Always give tenants a written receipt for rent payments and maintain consistent and accurate accounting records of all rental and other payments;
- ✓ If you sue a tenant for Failure to Pay Rent and the tenant subsequently pays the rent, notify the court immediately. It is illegal to knowingly obtain a judgment once the rent has been paid;
- ✓ Screen your tenants before signing a lease. CoreLogic Safe Rent is a service that specializes in collecting and reporting rental information. This service is available through the DHCA at a nominal fee, for licensed landlords. (See *Section III, Application Process*); and,
- ✓ Always conduct a final walk-through inspection of the property and try to include the tenant. On a written request from the tenant, you must include the tenant. Make written notes regarding the condition of the property and take pictures.

Prohibited Actions and Fair Housing Laws

No landlord may terminate a tenancy, decrease any services provided for in the lease or increase the rent merely because a tenant exercises rights protected under County or State Landlord-Tenant laws. Such actions by a tenant include filing a complaint with DHCA, any other governmental agency, and/or organizing or joining a tenants' association. No landlord may evict a tenant without following proper judicial process. Please contact the Office of Landlord-Tenant Affairs if you feel that you are the victim of retaliation. Furthermore, a landlord may not issue a tenant a notice to vacate based on the tenant's race, color, national origin, religion, sex, marital status, physical or mental disability, presence of children, ancestry, source of income, sexual orientation, or age.

Title VIII of the Civil Rights Act of 1968 and the Fair Housing Amendments of 1988 constitute the Federal Fair Housing Act. This law states that discrimination based on race, color, national origin, religion, sex, familial status, or disability is illegal in the sale or rental of most housing. Article 49B of the Annotated Code of Maryland prohibits discrimination based on race, color, national origin, religion, sex, marital status, mental disability, or presence of children. Chapter 27 of the Montgomery County Code prohibits discrimination based on race, color, national origin, religion, sex, marital status, physical or mental disability, presence of children, ancestry, source of income, sexual orientation, or age.

Violations of the Fair Housing Laws are subject to Federal, State and County enforcement action. If you have questions regarding compliance with these laws or think that you have been discriminated against, contact:

Montgomery County Office of Human Rights	240-777-8450
Maryland Commission on Civil Rights	410-767-8600
U.S. Department of Housing and Urban Development	202-275-0848

II. LICENSING REQUIREMENTS



Before a residential dwelling unit, personal property or multifamily property can be offered for rent in Montgomery County, the owner must obtain a rental facility license from Montgomery County Department of Housing and Community Affairs, Licensing and Registration (Montgomery County Code Chapter 29, Landlord-Tenant Relations).

Any landlord without a Montgomery County Rental License is unable to pursue legal action against a tenant for unpaid rent in the District Court of Maryland and is subject to a civil citation from the Licensing and Registration Unit. Rental property owners cannot be more than 30 days past due on their homeowners or condominium association fees to obtain, renew or maintain a rental license. In addition, rental property owners who live outside Maryland must designate a Legal Agent who lives in Maryland to accept legal documents.

All rental properties built before January 1, 1978 are required to comply with the State of Maryland's Lead Poisoning Prevention Program standards to be licensed. These property owners must provide proof to the Department's Licensing and Registration unit of their registration with the Maryland Department of Environment (MDE) and/or a copy of the MDE Lead Paint Certificate indicating the rental property has passed inspection. For more information on the state's lead poisoning requirements or to schedule an inspection, visit MDE's website at www.mde.state.md.us/programs/Land/LeadPoisoningPrevention/Pages/index.aspx.

Montgomery County Department of Housing and Community Affairs, Licensing and Registration issues rental housing licenses for condominiums, accessory apartments, single-family and multi-family properties.

A **Condominium license** is required for:

- ✓ Individually owned condominium units in a garden style property;
- ✓ Individually owned condominium units in a high-rise building; and
- ✓ Piggyback Townhouses that share a floor or ceiling with another unrelated dwelling

A **Single-family license** is required for:

- ✓ Detached single-family homes;
- ✓ Structures with at least one outside entrance for occupants; and
- ✓ Townhouses or structures that share side or rear walls with another unrelated dwelling

An **Accessory Apartment license** is required for:

- ✓ Independent living facility with second/separate cooking, eating, sanitation and sleeping facilities that are in or added to an existing single-family dwelling;
- ✓ Independent living facility with second/separate cooking, eating, sanitation and sleeping facilities that are in a separate accessory structure on the same lot as an existing dwelling; and
- ✓ Residential unit in or added to an existing single-family dwelling

A **Multi-family license** is required for:

- ✓ Apartment complexes;
- ✓ Structures with a common outside entrance for rental units in the same building;
- ✓ Structures with units above, below or next to other rental units; and
- ✓ Mobile home park developments

Rental Housing Licenses are valid for one year from July 1st through June 30th and must be renewed every year the property is rented. The Annual Rental Licensing Fee is due at the time the property is advertised or offered for rent and is not prorated for a partial rental period. Fees may be paid online with credit card or electronic checks.

When the rental property is sold, transferred to another owner or management company, the licensed property owner is required to notify the Department's Licensing and Registration Unit in writing within 10 days. Failure to report changes within this time period may result in a delay in the current Rental Facility License application for a renewal. Transfer rental license fees apply when a licensed property changes ownership.

To apply online for a Single Family, Condominium or Multifamily Rental Housing License, please visit the Department's Licensing and Registration website at www.montgomerycountymd.gov/dhcalicensing. An AccessMCG account is required to apply online, pay bills or review account information. Step-by-step instructions on how to register for AccessMCG are available online.

To review the requirements and application procedures for an Accessory Apartment Class 3 Rental License, please visit the Department's website at www.montgomerycountymd.gov/DHCA/housing/licensing/accessory_apartment.html. All Accessory Apartment applications and supporting documentation must be reviewed by Licensing and Registration staff prior to acceptance of applications received online or in-person. An AccessMCG account is required to apply online, pay bills or review account information. Step-by-step instructions on how to register for AccessMCG are available online.

For more information on Montgomery County's rental facility license procedures, please visit the Department's Licensing and Registration website at www.montgomerycountymd.gov/dhcalicensing; call 240-777-0311; write or stop by:

Montgomery County Department of Housing and Community Affairs Licensing and Registration Unit
1401 Rockville Pike, 4th Floor, Rockville, Maryland 20852
Phone: 240-777-0311; Fax: 240-777-3699; TDD: 711

Rental properties located within the following incorporated city limits, should contact the appropriate municipality directly for specific licensing requirements (see below):

City of Gaithersburg	301-258-6340
City of Rockville	240-314-8330
City of Takoma Park	301-891-7255

Rentals NOT Covered

- ✓ Room rentals: A property is exempt from licensing if someone who has an ownership interest in the property occupies it and rents out rooms;
- ✓ Rental properties located in the Town of Barnesville, Town of Garrett Park, and Town of Laytonsville;
- ✓ Rental properties located in the Incorporated Cities of Gaithersburg, Rockville and Takoma Park;
- ✓ Transient housing: guest room in an apartment, hotel, boarding house, tourist home, inn, motel, school dormitory, hospital, or medical facility;
- ✓ Commercial rental property; and
- ✓ Housing operated for religious or charitable purposes.

III. APPLICATION PROCESS



Most landlords require prospective tenants to fill out rental applications when applying for a rental property. The application may contain an authorization for the landlord to obtain a copy of a prospective tenant's credit report and rental history. This information enables a landlord to evaluate a tenant's credit and rental history.

Landlords must consider all tenants equally. State law prohibits discrimination based on race, color, national origin, religion, sex, marital status, mental disability, or presence of children. County law prohibits discrimination based on race, color, national origin, religion, sex, marital status, physical or mental disability, presence of children, ancestry, source of income, sexual orientation, and age.

Fees

Application Fee -- A landlord is allowed to charge a prospective tenant a non-refundable Application Fee. State law requires landlords with four or more dwellings at one site to place a statement on the application form notifying tenants that: (1) if a landlord takes any fees from a prospective tenant, other than a security deposit, that exceed \$25.00, the landlord must return the fees or be liable for twice the amount of those fees in damages; (2) the money must be returned within 15 days after receiving written notice from either party that no tenancy will take place; and (3) the landlord may only keep those fees used for a credit check.

Trash Fees -- Trash fees cannot be required in multifamily dwellings in Montgomery County. If "valet" trash pick-up is offered, it MUST be optional. In single-family rentals, NOT located in a County trash collection district, a tenant can be required to pay trash collection charges.

Amenity Fees -- A one-time, non-refundable amenity fee may be charged if an amenity is offered. This information must be included in the Lease.

Non-Refundable Fees -- Non-refundable fees such as reservation or holding fees, move-in, redecorating or cleaning fees, pet fees/deposits etc., may not be charged or imposed by a landlord. *Note:* In certain condominium communities, these fees are allowed in the by-laws.

CoreLogic Safe Rent (formerly First Advantage Safe Rent)

CoreLogic Safe Rent (formerly First Advantage Safe Rent / the Registry) is a service that provides comprehensive reports regarding an applicant's credit and rental history. CoreLogic Safe Rent enables a landlord to review an applicant's rental history before signing a lease. Landlords who own/manage ten (10) or fewer units and are currently licensed by the Department's Licensing and Registration Unit can access CoreLogic Safe Rent, for a nominal fee, by calling 240-777-0311.

Landlords wishing to use this service must have prospective tenants complete and sign the County's rental application. This form is available on our website at www.montgomerycountymd.gov/dhca. Tenants who are rejected based on information contained in a CoreLogic Safe Rent report can obtain a copy of their report, free of charge, by calling CoreLogic Safe Rent at 1-888-333-2413. For more information regarding CoreLogic Safe Rent, call 240-777-0311 and ask to speak with someone from the Office of Landlord-Tenant Affairs.

eProperty Data Mining

Tenants can research a property using eProperty Data Mining. This is a free service provided by DHCA that allows you to look up a property by address, community name or license number, to obtain basic information about that property, such as:

- ✓ Code Enforcement complaint history;
- ✓ Landlord-Tenant complaint history;
- ✓ MPDU status (single family properties);
- ✓ Licensing and registration status; and
- ✓ Real property tax information.

eProperty also provides links to a property's specific records in the Montgomery County Permitting database, State of Maryland Property tax database, and Montgomery County's GIS database. This tool can give you extensive information about a specific property in one spot and can be accessed directly from DHCA's website at: www.montgomerycountymd.gov/eproperty

IV. THE LEASE



A lease is the written agreement that defines the rights and responsibilities of a landlord and a tenant. Before signing a lease, prospective tenants have the right to review a copy of the prospective lease at a place of their choosing. Tenants are strongly encouraged to read the lease carefully. This is the final opportunity to discuss any provisions, conditions, limitations and requirements that are not thoroughly understood. Remember, once a lease is signed, it becomes a binding contract. Any changes or oral promises, conditions and agreements between the tenant and the landlord must be in writing and signed by both parties.

Any landlord who owns five or more dwelling units in the State of Maryland **MUST** provide the tenant with a written lease. If a landlord fails to comply with this provision, the tenancy will be presumed to be for a term of one year, commencing on the date of the tenant's occupancy. The tenant may terminate the tenancy at any time by providing one month's written notice to the landlord.

Any landlord using a written lease must, on written request from the prospective tenant, provide a copy of the proposed lease without requiring execution of the lease or any prior deposit. Model leases for multi-family and single-family rental properties are available free of charge from the Office of Landlord-Tenant Affairs or on the Department of Housing and Community Affairs' web page. We strongly encourage all landlords to use these model leases.

Be advised that a landlord may require a tenant to obtain renter's insurance as part of the lease and may require that a tenant provide proof of such insurance.

Required Provisions

All leases for residential rental properties in Montgomery County must:

- ✓ Offer the tenant an initial term of two years and a two-year term at each renewal unless the landlord has reasonable cause for offering a shorter term. This requirement does not apply to mobile homes and accessory apartments. Examples of reasonable cause for offering a lease of less than two years include the sale of the property if settlement is likely to occur within a two-year period; a bona fide contract to sell the property within two years, or a planned conversion to a condominium within a two-year period. If the landlord claims reasonable cause for not offering a two-year lease or two-year lease renewal, he/she **MUST** attach a statement to the lease explaining the reasonable cause which also advises the tenant of his/her right to challenge the cause by filing a complaint with this Office; the complaint must be filed with the Office of Landlord-Tenant Affairs within 180 days from the beginning of the tenancy;
- ✓ Allow the parties to negotiate a lease of longer or shorter duration, after the tenant has been offered and rejected a two-year lease;
- ✓ Require that the landlord give the tenant a written notice to vacate;
- ✓ Require the landlord to give the tenant 60 days' written notice of his/her intention to terminate the tenancy at the expiration of the lease if the landlord does not intend to offer a renewal of the lease;

- ✓ Acknowledge the landlord's liability for damage caused by his/her negligence or violation of applicable law. Provide for reimbursement to the tenant for any damage caused by the landlord's negligence;
- ✓ Acknowledge the landlord's responsibility for the maintenance of the rental property. This provision must specifically reference: Chapter 8, "Buildings"; Chapter 22, "Fire Safety Code"; Chapter 26, "Housing and Building Maintenance Standards"; and Chapter 59, "Zoning," of the Montgomery County Code. These sections of law create an express warranty of habitability and require that the landlord make necessary repairs;
- ✓ Require all agreements not in the initial lease be put in writing and attached as addenda to the lease;
- ✓ Require a plain language summary be attached to the lease which contains: the term of the lease; the amount of the rent; the date rent is due; tenant's responsibility for utilities, if any; a list of any additional tenant rights and responsibilities under the lease; and information about services available to tenants from this Office and the Commission on Landlord-Tenant Affairs;
- ✓ Limit penalties for late rent payments to 5% of the monthly rental amount and not allow late charges to be added until the rent is more than 10 days late;
- ✓ Require all charges for repair of damage to the property be itemized, whether requested by landlord or tenant, and that these charges be substantiated upon written request;
- ✓ Require that all security deposits be handled per the Real Property Article of the Annotated Code of Maryland (See Appendix V Maryland Security Deposit Law);
- ✓ Require the landlord give a tenant a 90-day notice for any proposed rent increase;
- ✓ Inform the tenant (in a multi-family dwelling) of the location of the rental license, so it can be inspected by the tenant. The Rental Facility License for a multi-family facility must be displayed in the lobby, rental office, or other prominent public place on the property during its entire effective period (See Section II, Licensing Requirements);
- ✓ Require the landlord to deliver the property in a clean, safe, and sanitary condition, free of rodents and vermin, and in compliance with all applicable laws;
- ✓ Require the landlord to provide written receipts for all payments made by the tenant in cash or by money order, including rent and security deposit payments;
- ✓ Permit the landlord to enter the property, after providing the tenant with 24 hours' notice, to make repairs, supply services, or show the apartment to prospective buyers/tenants. A tenant may not unreasonably deny the landlord access to the rental property;
- ✓ In cases of emergency, or when the landlord has good cause to believe the tenant may have damaged the property, no notice is necessary prior to Landlord's entry;
- ✓ Allow the landlord to enter the property after due notice (72 hours) when the landlord is required by DHCA to provide access for an inspection required under County law;
- ✓ State the specific obligations of landlords and tenants for payment of heat, gas, electricity, water and sewer charges;
- ✓ Permit the tenant to sublease the rental property with the landlord's written permission, which cannot be unreasonably withheld. This provision is not applicable in the case of rental units in a common ownership community if a valid legal restriction prohibits subleasing, or in accessory apartments or mobile homes;
- ✓ Permit the tenant to terminate the lease with 30 days' written notice to the landlord due to: an involuntary change of employment from the Washington Metropolitan area; death of a major wage earner; unemployment; tenant or tenant's child being a victim of domestic violence; a landlord harassing the tenant or violating the tenant's privacy rights; the tenant or tenant's spouse being 62 or older, no longer able to live independently, and needing to move to a nursing home or other senior housing; tenant being incarcerated or declared mentally incompetent; or for any other reasonable cause beyond the tenant's control. Any charge to the tenant in such cases must not exceed one month's rent or actual costs incurred by the landlord, whichever is less;
- ✓ Notify all new tenants that they are entitled to a copy of the Landlord-Tenant Hand book and that the Landlord-Tenant Handbook is available on DHCA's website. The landlord must provide a

- ✓ copy of the Landlord-Tenant Handbook unless the tenant signs a statement declining a hard copy and accepting referral to the Landlord-Tenant Handbook maintained on the DHCA website; and
- ✓ Contain a notice to the tenant that general information and assistance regarding evictions and any addenda to the lease is available from DHCA when issuing a notice to vacate, notice of past due rent or beginning any judicial proceeding to regain the leased premises.

Prohibited Provisions

All leases for rental properties located in Montgomery County must NOT:

- ✓ Require a tenant to agree to a confessed judgment. An example of a confessed judgment is a written agreement by which the tenant admits liability and accepts the amount of agreed upon damages that must be paid to the landlord prior to any court action;
- ✓ Require a tenant to waive any rights provided by Chapter 29, Landlord-Tenant Relations, of the County Code;
- ✓ Authorize the landlord to take possession of the tenant's personal property or the rental property without a court order;
- ✓ Deny a tenant the right to a jury trial;
- ✓ Require a tenant to pay legal costs or attorney's fees other than those awarded by a court. In addition, any lease that requires a tenant to pay legal fees must: (1) specify that the attorney's fees are not part of the tenant's rent and need not be paid to redeem the property in a failure to pay rent action; and (2) obligate the landlord to pay the tenant's attorney's fees if the tenant is the prevailing party in a legal action and the court awards legal fees; and
- ✓ Allow the landlord to increase rent more than once in a twelve-month period.

RUBS - Ratio Utility Billing Systems

Effective January 1, 2004, the Commission on Landlord-Tenant Affairs issued a regulation entitled Ratio Utility Billing Systems (RUBS). This regulation sets forth the requirements to be followed if a landlord requires that a tenant pay separately for water/sewer usage **in a unit that is not individually metered**.

RUBS formulas can also be used for gas and electric billing in units that were built prior to 1978 (See *Appendix II, RUBS*). After 1978, the Maryland Public Service Commission requires each unit be individually metered if a tenant is to be billed for gas or electric. Chapter 29 now requires landlords of buildings constructed prior to 1978 which are not individually metered, provide tenants will all information required under the Public Utilities Article of the Maryland code and applicable COMAR provisions governing electric and gas sub-meters and all energy allocation systems.

Be advised that your utility bill may fluctuate using a RUBS system even though your consumption is the same or lower, simply because it is being divided among ALL residents at the property.



V. SECURITY DEPOSITS

A security deposit is any money, including a pet deposit or payment of the last month's rent, taken by a landlord, in advance of the time it is due, to protect the landlord against damage caused by tenants, guests, or invitees, pets, non-payment of rent, and/or damages incurred by the landlord if the tenant breaches the lease. The total amount of the security deposit cannot exceed the equivalent of two months' rent. If a landlord charges more than this amount, the tenant may recover up to three times the excess amount charged, plus reasonable attorney's fees by filing a complaint with the Office of Landlord-Tenant Affairs.

The landlord must give the tenant a written receipt for payment of a security deposit. The receipt must inform the tenant of his/her rights under Section 8-203.1 of the Real Property Article, Annotated Code of Maryland, 1999, as amended (See Appendix V, Maryland Security Deposit Law). The receipt may be incorporated into the written lease agreement. If the landlord fails to provide a receipt for the security deposit, the landlord is liable to the tenant for a \$25.00 penalty. The landlord is required to retain a copy of the security deposit receipt for a period of two years after the end of the tenancy.

The receipt for payment of the security deposit must contain a notice informing the tenant of the following:

- ✓ Their right to have the rental property inspected by the landlord in the tenant's presence for the purpose of making a written list of damages that exist at the beginning of the tenancy. This request for an inspection must be done by certified mail within 15 days of the tenant's occupancy;
- ✓ Their right to be present for a final walk-through inspection of the rental property if the tenant notifies the landlord by certified mail at least 15 days before the date of the intended move. This notice must contain the intended move-out date and the tenant's new address. The landlord is obligated to conduct this inspection within five days before or after the tenant's intended move out date. The landlord is obligated to notify the tenant in writing by certified mail of the date of the inspection;
- ✓ Their right to receive, within 45 days after the termination of the tenancy, by first class mail, delivered to the last known address of the tenant, a written list of the charges against the security deposit claimed by the landlord along with the actual costs incurred to repair any damages;
- ✓ The landlord's obligation to return any unused portion of the security deposit by first class mail, to the tenant's last known address, within 45 days after the termination of the tenancy; and
- ✓ A statement that the landlord's failure to comply with the security deposit law may result in the landlord's being liable to the tenant for a penalty of up to three times the amount withheld from the security deposit plus reasonable attorney's fees.

It is strongly recommended that both parties conduct an inspection of the rental property prior to move-in and compile a written list of any damages. This inspection will help to document pre-existing damages and may prevent misunderstandings regarding who is responsible for damage at the time of move out (See Appendix IV, Inspection Report). Tenants are also encouraged to leave a valid forwarding address with the post office to ensure receipt of any refund of the security deposit.

Maintenance of Security Deposits

The landlord must place the security deposit in a federally insured financial institution that does business in the State of Maryland. The security deposit must be maintained in a branch of the financial institution located in Maryland. The account is to be devoted exclusively to security deposits and must bear interest. The landlord may hold the security deposit in insured certificates of deposit or in securities issued by the federal government or the State of Maryland. The deposit must be made within 30 days of receipt and maintained throughout the tenancy.

Interest on the Security Deposit

Security deposits began earning interest effective July 1, 1972. All security deposits received between July 1, 1972, and June 30, 1980, accrued interest at a rate of 3% per year. All security deposits received between July 1, 1980 and September 30, 2004, accrue interest at a rate of 4% simple interest per year. All security deposits received or held on or after that date accrue interest at a rate of 3% simple interest per year. Effective January 1, 2015, the interest on security deposits was reduced from 3% simple interest per year to the daily U.S. Treasury yield curve rate for 1 year, as of the first business day of each year, or 1.5%, whichever is greater. *Security deposits accrue interest at the rate in effect when they were paid to the landlord until the date the law changes.* The security deposit will accrue interest in six-month intervals. For any year in which the landlord has held the security deposit for less than the full year, the landlord shall pay an amount of interest calculated by:

1. Multiplying the amount of the deposit by the daily U.S. Treasury yield curve rate for 1 year that was in effect as of the first business day of that calendar year, or 1.5%, whichever is greater; and
2. Multiplying the result obtained under item 1 of this subparagraph by a fraction, the numerator of which is the number of months that the deposit was held that year and the denominator of which is 12.

The Department of Housing and Community Development (DHCD) for the State of Maryland shall maintain on its Web site:

1. A list of daily U.S. Treasury yield curve rates for 1 year, as of the first business day of each year, to be used in calculating the interest on a security deposit; or
2. A customized calculator that calculates the interest due on a security deposit by allowing a user to enter a tenancy start date, a tenancy end date, and the amount of the security deposit.

A landlord is entitled to rely on the list of yield curve rates or the customized calculator maintained by DHCD under Section 8-203, subsection (k) of the Real Property Article, Annotated Code of Maryland, 2015 as amended, when calculating the interest on a security deposit paid on or after January 1, 2015 (See *Appendix V, Maryland Security Deposit Law*). The calculator can be found at: <http://dhcd.maryland.gov/Pages/RSDCalculator/Default.aspx>

Please call the Office of Landlord-Tenant Affairs at 311 (within the County or 240-777-0311 outside the County) if you have more questions or send us an email at: olta.intake@montgomerycountymd.gov

Inspection

When a tenant vacates a rental property, the landlord is strongly encouraged to inspect the property for damage. If a tenant wishes to be present for this inspection, **the tenant must:**

- ✓ Send a written notice to the landlord by certified mail;
- ✓ Send the notice to the landlord at least 15 days before the move-out date;
- ✓ State the move-out date and include the tenant's new address.

The landlord must:

- ✓ Respond to the tenant in writing, via certified mail, advising the tenant of the date and time of the inspection; and
- ✓ Schedule the inspection within 5 days before, or 5 days after, the move-out date given by the tenant.

It is strongly recommended that tenants exercise this right so that both parties are present when the inspection takes place to determine if any damage beyond normal wear and tear has occurred. This inspection will create a written inspection report, detailing the condition of the property. It is also recommended that photographs of the rental property be taken as part of this inspection to document the condition of the property. Prepare an inspection report even if no damage is noted. The inspection report is to be signed by both parties (See Appendix IV- Inspection Report).

Return of the Security Deposit

The most common dispute between landlords and tenants involves the refund of the tenant's security deposit after the end of the tenancy. The Office of Landlord-Tenant Affairs has published a booklet entitled "What Is Ordinary Wear and Tear" to help landlords and tenants distinguish between ordinary wear and tear and damage. This booklet is available on our website.

State law specifies procedures that the landlord must follow for refunding, using and accounting for the security deposit.

- ✓ If no damage is claimed by the landlord, the security deposit, plus any accrued interest, must be returned to the tenant, at his/her last known address, within 45 days after the termination of the tenancy.
- ✓ A landlord may withhold all or part of the security deposit for unpaid rent, actual cost incurred to repair damage in excess of normal wear and tear to the property caused by the tenant, or for other actual costs incurred by the landlord if the tenant has breached the lease agreement.
- ✓ If the landlord withholds any portion of the security deposit, the landlord must send a written notice of the deductions to the tenant. This itemized list must:
 - > Be sent by first class mail to the last known address of the tenant. If the tenant does not provide a forwarding address, the address of the rental property is to be used;
 - > Be sent within 45 days from the end of the tenancy; and
 - > Contain a written list of the damages claimed and a statement of the costs actually incurred, including damages incurred from breach of lease.

- ✓ If the landlord fails to comply with these requirements, the landlord forfeits the right to retain any portion of the security deposit.
- ✓ In the event a rental property is sold while a tenant still occupies it, any security deposits taken are transferred to the new owner and he/she must Comply with all the requirements regarding the return of the security deposit.
- ✓ If a tenant breaches the lease agreement by moving prematurely, he/she must write to the landlord and request his security deposit within 45 days after vacating the rental property in order to preserve his/her rights under the security deposit law. This request must be made by certified mail. Absent a written request, the landlord is not obligated to comply with the 45-day timeline; however, the landlord must still account for the security deposit as required by law.

VI. NOTICES



A working Landlord-Tenant relationship depends on good communication. Giving and receiving proper notices is essential to maintaining this relationship and avoiding unnecessary costs for both the landlord and tenant. The notices highlighted below are the most common.

Notice of Rent Increase

- ✓ A notice of rent increase must be in writing and delivered to a tenant at least 90 days prior to the effective date of the rent increase;
- ✓ A notice of rent increase for a 2-year renewal of the lease must contain information on the rent for both years within that notice;
- ✓ This notice must correspond with the rent payment cycle; for example, a 90-day notice of rent increase given by a landlord on March 29 (before the rent due date of April 1) would take effect on July 1. Similarly, a 90-day notice given by a landlord on April 2 (after the rent due date) would not take effect until August 1;
- ✓ A tenant may receive only one rent increase in a 12-month period; and,
- ✓ Although there is no rent control in Montgomery County, the County Executive does issue a recommended voluntary guideline for rent increases annually. This guideline is based on the rent component of the Consumer Price Index for the Baltimore-Washington Metropolitan area. Information regarding the current voluntary guideline is available from the Office of Landlord-Tenant Affairs or on DHCA 's website, www.montgomerycountymd.gov/dhca.

A rent increase notice must be in writing and contain the following:

- ✓ The current rent -- the monthly rent charged immediately preceding the effective date of the proposed increase;
- ✓ The new rent -- the new monthly rent;
- ✓ The percentage of increase;
- ✓ The effective date of the proposed increase;
- ✓ The voluntary rent guideline issued by the County Executive, which can be found on our webpage at www.montgomerycountymd.gov/dhca;
- ✓ A statement that the tenant may ask the Department of Housing and Community Affairs to review any increase deemed by the tenant to be excessive. This note may include our telephone number, 240-777-0311; and
- ✓ Any other information the landlord deems useful in explaining the rent increase.
- ✓ The notice must correspond with the rent payment cycle; for example, a 90-day notice of a rent increase given by a landlord on March 29 (before the rent due date of April 1) would take effect on July 1. Similarly, a 90-day notice given by a landlord on April 2nd (after the rent due date) would not take effect until August 1st.

Quit and Vacate Notices

- ✓ Must be in writing;
- ✓ Must state the specific date by which the tenant is to vacate;
- ✓ Must be given for the proper notice period;
- ✓ Must be received by the landlord/tenant on or before the rent due date, except in cases of breach of lease or early termination by tenant for reasons beyond a tenant's control; and
- ✓ Landlords issuing notices to tenants must include the following statement: *"General information and assistance regarding evictions is available from the Department of Housing and Community Affairs."*

At the end of a long-term lease, if the landlord does not want to renew a tenant's lease, he/she must give the tenant(s) two months' written notice to vacate in both single family and multifamily properties.

Month-to-month tenants in multi-family units are entitled to at least two months' notice from the landlord, except in cases of breach of lease. Month-to-month tenants in multi-family units are generally required to give at least two months' notice to vacate. Tenants must consult their leases for a definitive answer. Month-to-month tenants in single-family units are entitled to at least two months' notice and must give notice to the landlord in accordance with the lease. The landlord cannot require a longer notice period from the tenant than the one he/she must give. The landlord is not required to state a reason for the notice.

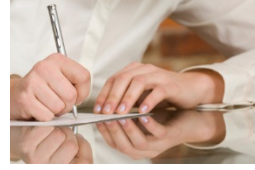
A notice to vacate can be issued to a tenant during the lease term if the tenant has substantially breached the lease. Such notice must be given at least 30 days prior to the date on which the landlord intends to repossess the property and contain the specific circumstances of the alleged breach. This notice does not have to coincide with the rent payment cycle. A landlord may give a 14-day breach of lease notice if the breach involves behavior by a tenant or a person who is on the property with the permission of the tenant which demonstrates a clear and imminent danger to the tenant, the landlord, or other tenants. A landlord may not evict or attempt to evict a tenant without proper judicial process.

Notice of Defects

When a tenant notifies the landlord of a defect in the property or requests repairs, it is highly recommended that this request be in writing. The landlord is to be provided a reasonable time period to make the repairs. If the landlord fails to make the repairs in a timely manner, the tenant should call Housing Code Enforcement at 240-777-0311 to file a complaint and request an inspection by County Housing Code Enforcement staff.

Certificate of Mailing

When notifying a landlord or tenant by first class mail, it is advisable to go to the Post Office and obtain a Certificate of Mailing. This is a receipt provided by the Post Office at the time of mailing, acknowledging that a letter was mailed by regular mail to the recipient at a specified address and the date of mailing. The letter is delivered like any other piece of mail, and you will have a receipt documenting that you mailed it on that date.



VII. TERMINATING THE LEASE

When either the landlord or tenant wants to terminate the lease, he/she must first give written notice. This is referred to as giving a "notice to vacate."

How to Give Proper Notice

Landlords:

- ✓ Put the notice in writing;
- ✓ State the exact date by which the property is to be vacated;
- ✓ The tenant must receive written notice on or before the rent payment due date, except in cases of breach of lease; and,
- ✓ Include the following statement in any notice to vacate: *"General information and assistance regarding evictions is available from the Department of Housing and Community Affairs."* This statement must be provided prior to beginning any judicial action to regain possession of the rental property.

Tenants:

- ✓ Put the notice in writing;
- ✓ State the exact date by which the property is to be vacated;
- ✓ The landlord must receive the written notice on or before the rent payment due date except in cases of early termination for reasons beyond a tenant's control. The tenant must vacate by midnight on the last day of the notice period. The landlord is not obligated to charge pro-rata rent based on the days a tenant holds over. By staying into the next month, a tenant is liable for the entire month's rent.

Notice Period

The length of notice depends on the terms of the lease and the reason for leaving.

- ✓ At the end of a long-term lease, if the landlord does not want to renew a tenant's lease, he/she must give the tenant(s) two months' written notice to vacate in both single family and multifamily properties.
- ✓ Landlords of month-to-month tenants in multi-family units are required to provide at least two months' notice to the tenant(s), except in cases of breach of lease;
- ✓ Month-to-month tenants in multi-family units are generally required to give at least two months' notice to vacate. Tenants must consult their leases for a definitive answer as a lease may provide for a longer or shorter notice period;
- ✓ Landlords of month-to-month tenants in single-family units are required to provide at least two months' notice to the tenant(s);
- ✓ Month-to-month tenants in single-family units are required to must consult their leases for a definitive answer as a lease may provide for a longer or shorter notice period; and

- ✓ Remember, tenants are still bound by the provisions of the lease, even though it has expired. If a lease contains a different notice period than the one described above, call Landlord-Tenant Affairs at 240-777-0311.

The notice must correspond with the rent payment cycle; for example, a two-month notice to vacate given by a landlord on March 29 (before the rent due date of April 1) would expire May 31st. Similarly, a two-month notice given by a landlord on April 2nd (after the rent due date) would not expire until June 30th.

Early Terminations

“Reasons beyond the Tenant’s Control.” Under certain circumstances, a tenant may terminate the lease agreement by giving the landlord a 30-day written notice to vacate. This option applies to a tenant who cannot fulfill the balance of the rental contract because of an involuntary change of employment from the Washington Metropolitan area (generally 25 miles); death of a major wage earner; unemployment; tenant or tenant’s child being the victim of domestic violence; a landlord harassing the tenant or violating the tenant’s privacy rights; the tenant or tenant’s spouse being 62 or older, no longer able to live independently, and needing to move to a nursing home or other senior housing; tenant being incarcerated or declared mentally incompetent; or for any other reasonable cause beyond the tenant’s control. The tenant needs to explain the specific circumstances in the notice to vacate and provide evidence to substantiate the reasons at the time the notice is given. Under these circumstances, the tenant may be liable for a maximum of one more month’s rent, or actual damages sustained by the landlord as a result of the breach, whichever is less.

“Reasons within the Tenant’s Control.” Early lease termination due to marriage or purchase of a house are typical examples in this category. The tenant has contracted to pay rent through the term of the lease; therefore, the more notice a tenant can give a landlord, the better chance there is of the property being re-rented. Upon re-rental of the dwelling unit, the rental obligation of the previous tenant ceases. This arrangement will help lower the costs incurred by the tenant, because the landlord must make reasonable attempts to re-rent the property to offset damages caused by the tenant’s early termination. Usually, the landlord will require the tenant to pay for lost rent, advertising costs, and any legitimate costs incurred to re-rent the property. Another option available to the tenant is subleasing. Subleasing is the transfer of possession and certain rights at the rental property for the remaining term of the tenant’s lease. The landlord may not unreasonably deny the tenant’s right to sublease; however, subleasing may not be allowed in all cases. If a tenant is considering using this option, it is strongly recommended that he/she call the Office of Landlord-Tenant Affairs to ensure that a sublease is accomplished in compliance with applicable law.

“Breach of Lease.” When the lease provides that the landlord may re-possess the property if the tenant breaches the lease, as a general rule, the landlord must give the tenant 30 days’ written notice that the tenant is in violation of the lease, must state the nature of the breach, and must state the intention to repossess the property. This notice does not have to coincide with the rent payment cycle. However, a landlord may give a 14-day breach of lease notice if the breach involves behavior by the tenant or a person who is on the Property with the permission of the tenant which demonstrates a clear and imminent danger to the tenant, the landlord, other tenants or themselves (Section 8-402.1(a)(2)(B) of the Real Property Article of the Annotated Code of Maryland). Unless the tenant voluntarily vacates, the landlord must obtain a court order to repossess the unit.

To obtain a court order, the landlord must demonstrate that:

- ✓ The tenant breached the terms of the lease;
- ✓ The breach is substantial and on-going; and,

- ✓ The breach warrants eviction.

If the tenant corrects the breach before the court date, the tenant should appear and demonstrate this to the court. It will be up to the court to decide whether an eviction will take place. Due to the complexities involved, it is recommended that a landlord or tenant contact the Office of Landlord-Tenant Affairs for more specific information regarding breach of lease actions.

Month-to-Month Tenancy

A tenant who remains in a rental property after the initial lease expires and does not sign another long-term lease is considered a month-to-month tenant. All the provisions of the lease still apply, except that the rental agreement is automatically renewed monthly. Tenants are bound by the terms of the original lease and should refer to that lease to determine the length of notice they must give to terminate the tenancy. Landlords of multi-family properties are required to give month-to-month tenants two months' notice to vacate. Landlords of single-family rental properties are also required to give month-to-month tenants two months' notice to vacate. Under these circumstances, it is not necessary for the tenant or the landlord to give a reason for termination. In lieu of being a month-to-month tenant, to ensure a stable housing situation, tenants are encouraged to request annual extensions of the lease agreement. If your lease is not clear or different from the notice period described above, please call Landlord-Tenant Affairs at 240-777-0311.

Once Notice to Vacate is given

A tenant is responsible for paying rent during the notice period. Furthermore, a tenant's obligations do not necessarily end when he/she moves out. Once a tenant has given notice to the landlord, it cannot be taken back without approval by the landlord. If the tenant does not leave by the date on the vacate notice, the landlord has the right to obtain a court order to evict the tenant by filing a Tenant Holding Over (THO) action in the District Court (*See Section XII Eviction*). If a landlord cannot fulfill his/her obligations to the next tenant, with whom he/she has a signed lease, because the current tenant remained in the property after the notice period, the landlord and the new tenant both may take an action against the holdover tenant for damages.

A landlord may accept rent from a tenant after the notice period on a tenant holding over or breach of lease action, without waiving his/her rights to evict under that notice. Payment of rent after the notice to vacate has expired does not renew the lease. The landlord can accept rent and still pursue a tenant holding over or breach of lease action in accordance with his/her notice to vacate.

Certificate of Mailing

When notifying a landlord or tenant by first class mail, it is advisable to go to the Post Office and obtain a Certificate of Mailing. This is a receipt provided by the Post Office at the time of mailing, acknowledging that a letter was mailed by regular mail to the recipient at a specified address and the date of mailing. The letter is delivered like any other piece of mail, and you will have a receipt documenting the fact that you mailed it on that date.

Note: *Always keep a copy of the Notice to Vacate for your records.*



VIII. HOW TO FILE A COMPLAINT

Landlords or tenants may file complaints with the Office of Landlord-Tenant Affairs. However, some complaints can be resolved without filing a written complaint. To file a complaint:

1. Call 240-777-0311 if you have Landlord-Tenant questions. Often, just speaking with an Investigator can answer your questions and resolve your concerns without filing a complaint. However, should you need to file a complaint, the complaint form can be mailed to you or printed from our website at www.montgomerycountymd.gov/dhca.
2. On the complaint form, provide the following information:
 - > Your name, address, daytime/evening telephone number and email address;
 - > The name, address, daytime telephone number and email address of the party against whom you are complaining;
 - > The address of the rental property;
 - > The specifics of the complaint; and,
 - > The remedy or action you are seeking.
3. Send a copy of the complaint form to the other party immediately.
4. Wait one week to allow time for a response, however; an urgent matter may be filed immediately. If in one week the complaint remains unresolved send a copy of the complaint form to Landlord-Tenant Affairs. To expedite investigation of your complaint, provide a copy of the lease and any supporting documentation (e.g. photographs, letters, etc.) with the complaint form.

Upon receipt by this office, an acknowledgement letter will be sent to you, giving you the case number and the name of the Landlord-Tenant Affairs Investigator assigned to your case.

The Complaint Process

The Investigator acts as a fact-finder. Documents are examined. Both parties are interviewed as the Investigator works to determine if there has been a violation of Landlord-Tenant law. The Investigator attempts to conciliate the dispute between the parties. If necessary, to resolve a complaint and gather all of the necessary information, the Investigator will schedule a conciliation conference with both the landlord and tenant in attendance.

If a resolution to the dispute is reached, and if necessary, the Investigator will draft an agreement to be signed by the landlord and the tenant. This agreement clearly states what each party has agreed to do to resolve the dispute. These agreements are also signed by a representative of Landlord-Tenant Affairs. However, in many instances, the formality of a written agreement is not necessary. The agreement does not mean that either party admits guilt. Rather, the agreement is made in good faith to resolve the dispute. A violation of the agreement, however, can result in legal action.

The Commission

If a complaint is not resolved, the Investigator refers the complaint to the Montgomery County Commission on Landlord-Tenant Affairs (“Commission”). Commission members act as Administrative Judges. The Commission is composed of 15 members: 4 tenant representatives, 4 landlord representatives, 4 members of the public who are neither tenants nor landlords, and 3 alternates, one in each category. Commissioners who have a potential conflict with either a landlord or tenant are required to recuse themselves from any decisions regarding that complaint.

After receiving a complaint, the Commission has three options: (1) decide there is no violation of law, in which case the Commission dismisses a complaint without conducting a hearing; (2) decide there is sufficient evidence of a violation, and schedule a hearing to allow both sides to present their testimony and evidence under oath; or (3) refer the case back to Landlord-Tenant staff for further investigation. Hearings are usually conducted by a panel of three Commissioners, one representative from each category. These hearings are informal, and parties can represent themselves or be represented by an attorney. Landlords cannot be represented by their management companies, and parties cannot be represented by someone who is not a lawyer. If English is not the primary language of the landlord or tenant, an interpreter will be provided, at no expense, on request.

After hearing the case, the Commission issues a written Decision and Order. The Commission can order any or all the following if they find the landlord has created a defective tenancy:

1. Immediate termination of the lease;
2. Return of all or part of a tenant’s security deposit wrongfully withheld;
3. A penalty up to three times the amount of the deposit unreasonably withheld;
4. Return of all or part of any rent already paid to the landlord;
5. An award of up to \$2,500.00 for damage or loss incurred by a tenant;
6. A reasonable expenditure for temporary or substitute housing;
7. An order permitting a tenant to correct the condition that constitutes the defective tenancy and abate the tenant’s rent in an amount equal to the reasonable cost incurred by the tenant; and
8. After a finding of retaliatory or illegal eviction, reasonable attorney’s fees incurred by the tenant up to \$1,000.00.

The Commission can order any or all the following if they find the tenant has created a defective tenancy:

1. Immediate termination of the lease and possession of the rental property under State law; and,
2. An award of up to \$2,500.00 for damage or loss incurred by a landlord.

The Decision and Order is legally binding. If any party fails to adhere to the provisions of the Decision and Order, the County will take enforcement action. If either party disagrees with a Decision and Order, the Decision and Order may be appealed to the Circuit Court for Montgomery County. If the Decision and Order contains a monetary award, and the appellant wants to stop enforcement, he/she must post a bond with the Circuit Court in the amount of the award.

The Commission has issued numerous Decisions and Orders that have addressed a variety of Landlord-Tenant issues, including security deposits, utility conversion, breach of lease, license revocation and habitability. Please review the Commission’s Decisions and Orders to get an idea of how they interpret the law given certain fact patterns. These Decisions and Orders are available online at www.montgomerycountymd.gov/dhca.



IX. COURT ACTIONS

Eviction is the court-ordered removal of the tenant and the tenant's personal belongings from a rental property. The court-administered eviction process assures a tenant of the right to a hearing if he/she believes that the eviction action is not justified. It is the final step in a series of procedures initiated by the landlord to repossess the property. A tenant may be evicted for non-payment of rent (Failure to Pay Rent), breach of the lease agreement (Breach of Lease) or failing to vacate after receiving proper notice from or giving proper notice to the landlord (Tenant Holding Over). **A tenant can only be evicted by Order of the District Court in the presence of the Sheriff who executes that Order.** The landlord does NOT have the right to evict without proper judicial process. The landlord cannot physically remove or lock out the tenant, cut off utilities such as water or electricity, remove outside windows or doors, or seize (take) the tenant's belongings to force the tenant to vacate a rental property. The landlord must follow court procedures. If a landlord uses unlawful measures to evict a tenant, the landlord exposes him/herself to potential criminal prosecution and substantial civil liability. If your landlord is threatening to evict you without going through the court process, contact the Office of Landlord-Tenant Affairs immediately at 240-777-0311.

Rent is defined as payment for the tenant's use, possession, and enjoyment of rental property. Rent is generally paid monthly. Only under very limited circumstances (See *Section X, Rent Escrow*), may rent be legally withheld. Even though a tenant may have a dispute with the landlord, he/she does not have the right, with the exception of a legitimate rent escrow action, to withhold rent. If rent is not paid, the landlord has the right to file suit in District Court for nonpayment of rent.

The landlord is required by law to promptly give the tenant a written receipt for the payment of rent in cash or by money order and upon request, if the tenant pays by check.

Failure to Pay Rent

The following sequence of events takes place when a landlord files a failure to pay rent action in the District Court:

1. The landlord files the action with the District Court stating the amount of rent due and requests a judgment for repossession of the property and/or rent due, including late fees and any court awarded costs;
2. When filing an action to repossess property, the landlord must certify that the property is currently registered with MDE (if applicable) and give the certificate number (see Appendix I, Laws You Should Know);
3. When filing an action to repossess property, the landlord must also certify whether the tenant(s) is/are in active military service;
4. When filing an action to repossess property in a Failure to Pay Rent action, the landlord must provide a current rental facility license number (See Section II, Licensing Requirements);
5. The District Court schedules a hearing and issues the tenant a summons to appear in court. The summons is forwarded to the Sheriff's Office for service;
6. The Sheriff mails one copy of the summons to the tenant by first class mail and attempts to serve the tenant in person. If the tenant is not available to be served, a copy of the summons is posted on the door of the rental property;

7. If the tenant appears in District Court, he/she has the right to offer a defense. The landlord may request prior to trial, ALL rents due as of the hearing date, including any late fees and court awarded costs. This request must be made on the Failure to Pay Rent Summons. At the hearing, the Judge will decide whether the landlord is entitled to the rent and/or possession of the rental property;
8. If the tenant fails to appear, the Court will likely award a default judgment for the landlord to repossess the property. If the landlord or agent fails to appear, the Court will dismiss the action;
9. If either party disagrees with the Judge's ruling, they have the right, within four days of the Judge's ruling, to appeal the judgment to the Circuit Court
10. If no appeal is filed, the landlord files a Warrant of Restitution, which is signed by the Judge and forwarded to the Sheriff's Office;
11. Once the Warrant of Restitution is mailed to the tenant, the Landlord and the Sheriff's Office by the District Court clerk, the landlord contacts the Sheriff to arrange a date and time for the eviction;
12. Once the eviction is scheduled, the Sheriff may post a red and white notice on the door of the rental property. However, even if such a notice is not posted, the Sheriff will still proceed with the eviction;
13. While the landlord is responsible for removing the tenant's possessions from the property and placing them in the closest public right of way, an eviction cannot take place unless the Sheriff is present;
14. If a landlord gets a judgment for repossession against a tenant for Failure to Pay Rent, in most cases, the tenant can prevent an eviction by paying the judgment before the Sheriff executes the eviction order. This payment must be made by cash, certified check or money order to the landlord or his agent (including all court awarded costs, with the exception of court awarded attorney's fees). The tenant needs to get a receipt and confirm with the Sheriff's Office that the landlord has canceled the eviction. **The tenant can be evicted the first time the landlord files an action for nonpayment of rent against him/her if the tenant does not pay when, or before, the Sheriff arrives to carry out the eviction;**
15. If three judgments for unpaid rent have been entered against a tenant in the 12 months prior to the initiation of a Failure to Pay Rent action, and the tenant has paid the debt and redeemed the property, on the fourth filing, the landlord can request a Judgment Absolute, With No Right of Redemption. **If a Judgment Absolute is entered, payment of overdue rent will not prevent an eviction;**
16. If you receive a Warrant of Restitution, you can call the Sheriff at 240-777-7130 to see if an eviction has been scheduled for your address. While the sheriff will tell you if an eviction has been scheduled, the Sheriff will NOT tell you the specific date and time.

Other Court Actions

1. The court process in a Tenant Holding Over action and a Breach of Lease action are essentially the same as those in a Failure to Pay Rent action with the following exceptions:
 - The appeal period for Tenant Holding Over and Breach of Lease actions is 10 days; and
 - Payment of overdue rent will not prevent an eviction.
2. When people who are not parties to the lease move into the rental property with the tenant's consent, do not pay rent and refuse to vacate after being asked or remain after the tenant vacates without the landlord's consent; and the landlord thinks that he/she might claim a legal right to possess the rental unit, the landlord and /or tenant may file a Wrongful Detainer action in the District Court. These forms are available from the District Court Landlord-Tenant Clerk. You can call the Clerk at 301-563-8800, if you have questions. You can also contact the Office of Landlord-Tenant Affairs at 240-777-0311 or the Self-Help Center of the District Court at 410-260-1392.



X. RENT ESCROW

Rent Escrow is a legal remedy that allows a tenant to pay his or her rent to the District Court when a landlord fails to correct conditions in a rental property which present a threat to life, health or safety. It also allows the Court to terminate the lease, order that the amount of the rent due be reduced or order the landlord to correct the conditions.

Any tenant who lives in rental property where serious or life-threatening conditions exist must put the landlord on notice of the conditions and immediately contact DHCA at 240-777-0311 to arrange for an inspection by County Code Enforcement staff. Under very specific circumstances, which closely mirror the Rent Escrow requirements, a tenant can make repairs with permission of the DHCA Director and deduct the cost from the rent (up to one month's rent) if the landlord fails to make required repairs as ordered by DHCA within a required time frame. Section 8-211(e) of the Real Property Article of the Annotated Code of Maryland, defines serious defects and conditions as follows:

Serious and substantial defects and conditions -- This section provides a remedy and imposes an obligation upon landlords to repair and eliminate conditions and defects which constitute, or, if not promptly corrected, will constitute, a fire hazard or a serious and substantial threat to the life, health or safety of occupants, including, but not limited to:

- ✓ Lack of heat, light, electricity, or hot /cold running water, except where the tenant is responsible for the payment of these utilities and the lack thereof is the direct result of the tenant's failure to pay the charges;
- ✓ Lack of adequate sewage disposal facilities;
- ✓ Infestation of rodents in two or more rental properties;
- ✓ The existence of paint containing lead pigment on surfaces within the rental property;
- ✓ The existence of any structural defect which presents a serious and substantial threat to the physical safety of the occupants; or,
- ✓ The existence of any condition which presents a health or fire hazard to the rental property.

If the landlord fails to correct the violations within a reasonable time, the tenant is encouraged to file a Rent Escrow action in the District Court and file a complaint with Landlord-Tenant Affairs. The meaning of reasonable time varies with the seriousness and severity of the problem. Most problems that are considered a threat to health and/or safety should be corrected in a very short time frame.

Filing a Rent Escrow action will not automatically stay a Failure to Pay Rent action already filed by the landlord. A tenant can raise the issue of health and safety issues at the property as a defense in a Failure to Pay Rent action and the Judge may consider the request as a rent escrow action and ask that Housing Code Enforcement conduct an inspection to verify such claims, however; the tenant would be required to pay into court the amount due under the lease or such amount as is determined by the court to pursue the rent escrow action. Should Housing Code Enforcement find there are no violations that rise to the level of threats to health and safety, the case would proceed as any other Failure to Pay Rent action. To insure the condition of the rental unit is considered by the Court, a tenant should file a Rent Escrow action before a landlord files a Failure to Pay Rent action. The tenant can then raise the existence of these defects and conditions as an affirmative defense for non-payment of rent and the Judge would generally try the cases together. A Petition for Action of Rent Escrow form is available from the Clerk of the Landlord-Tenant Division of the District Court. To obtain copies of this form, call 301-563-8800.

APPENDICES



APPENDIX I. BILL 19-15 Amendments to Chapter 29, Landlord-Tenant Relations

Chapter 29, Landlord-Tenant Relations of the Montgomery County Code has been amended. Below are the most recent amendments to the Chapter.

Inspections (Housing Code Enforcement)

- ✓ Multifamily properties in the County must be inspected at least once every 3 years and dependent upon the outcome and subsequent upkeep of the property, those inspections can be required on a more frequent basis;
- ✓ Code Enforcement will inspect from 25% to 50% of units per complex. The Department has the discretion to increase the inspections to 100% of units as needed;
- ✓ The notice informing the tenants of the upcoming complex inspection is now 72 hours' notice prior to the scheduled inspection;
- ✓ All multifamily properties will be inspected over the next 2 years in order to set a baseline for future scheduling of inspections. Properties found to have: an infestation of greater than 20% of the units inspected; contain extensive visible mold; windows preventing the save means of egress; recurring water leaks resulting in chronic dampness; mold growth damaging personal property; and lack of working utilities, not shut off by tenants, will result in an automatic annual inspection schedule. The severity of violations will be taken into account when deciding to schedule future annual or inspections;
- ✓ Property's placed on an annual inspection schedule, will be required to submit to DHCA quarterly, all maintenance complaints received from tenants and the development and implementation of a corrective plan to address the building and maintenance deficiencies at their property;
- ✓ If the landlord fails to correct cited violations within the time specified by the Department, the Director may authorize the tenant to have the violation corrected by a licensed contractor selected from a list of contractors maintained by DHCA. The reasonable cost of the repair, up to the amount of one month's rent, can be deducted from the tenant's rent. In the alternative, revocation of the rental license may be initiated. The execution of this option is contingent upon written approval from the Department which must be obtained prior to a tenant executing these corrective measures; and
- ✓ An executive regulation is being prepared to outline the specifics regarding the severity of the violations and what will result in a more intensive complex inspection.

Landlord-Tenant

- ✓ In addition to the current reasons a tenant may terminate a lease early for circumstances beyond his/her control, the following items have been added: tenant and/or tenant's child being a victim of domestic abuse; a landlord harassing or violating a tenant's privacy rights; tenant or tenant's spouse being 62 or older, no longer able to live independently and needing to move to a nursing home or other senior facility; tenant being incarcerated or declared mentally incompetent; or other reasonable cause beyond a tenant's control;
- ✓ Notify the tenant that he/she is entitled to a hard copy of the Landlord-Tenant Handbook or the tenant can sign a statement acknowledging that he/she refused a hard copy of the book and were referred to the Landlord-Tenant Handbook maintained on the County's website;
- ✓ Must have attached to the lease a plain language summary of tenant's rights and responsibilities, approved by the Director, that includes at a minimum: the term of the lease; the amount of the rent; the date rent is due; the tenant's responsibility for utilities, if any; a list of additional tenant rights and responsibilities under the lease; and information about services available to tenants from DHCA and the Landlord-Tenant Commission. This summary must be included with all leases and renewals signed after March 13, 2017;
- ✓ The landlord must offer each lease for an initial term of 2 years and at renewal, the landlord must also offer a 2-year lease, unless the landlord has reasonable cause to offer a different term. Reasonable cause is defined as a situation whereby a 2-year lease would cause undue hardship or expense for a landlord. For example, sale of the unit with settlement likely to occur within 2 years. The landlord must attach to the lease a statement explaining the reasonable cause and advising the prospective tenant of his/her right to challenge the cause by filing a complaint with DHCA;
- ✓ Unless a tenant is in breach of the lease, if a landlord does not intend to offer an existing tenant a renewed lease term, the landlord must give the tenant 60 days' notice to vacate at the expiration of the lease;
- ✓ Make repairs with permission of the DHCA Director and deduct the cost from the rent (up to one month's rent) if the landlord fails to make required repairs as ordered by DHCA within a required time frame;
- ✓ Tenants paying gas and/or electric in a building built prior to 1978 must be given all information required under the Public Utilities Article of the Maryland Code and applicable COMAR provisions governing electric and gas sub-meters and energy allocation systems. These provisions took effect June 17, 2017;
- ✓ Landlords must display a sign in the lobby, vestibule, rental office or other prominent public place on the property that includes information regarding filing a complaint under this Chapter and prohibited retaliator practices under this Chapter. This information must be provided in English, Spanish, French, Chinese, Korean, Vietnamese and other languages as deemed necessary by the Director;
- ✓ Landlords must allow tenant organizations to use available meeting rooms on the property to discuss Landlord-Tenant issues. The first meeting of each month must be free. Thereafter, tenant organizations must pay whatever fee is required for the rental of meeting rooms;
- ✓ In addition to the remedies the Commission on Landlord-Tenant Affairs can already award, they can now issue an order for a tenant to correct the condition that constitutes a defective tenancy and abate the tenant's rent in an amount not to exceed 3 months' rent;
- ✓ The Director must publish the data collected in the annual rental housing survey on DHCA's website and list all rentals of 2 or more units by unit type and building type; and
- ✓ Landlords must now give 90 days' written notice of any proposed increase in rent.

APPENDIX II. LAWS YOU SHOULD KNOW

RUBS -- Ratio Utility Billing System

Most apartment complexes in Montgomery County are not individually metered for water and sewer usage. The regulation, entitled Ratio Utility Billing Systems (RUBS), sets forth the requirements for those landlords who choose to bill tenants directly for water/sewer usage. The RUBS Regulation became effective January 1, 2004 and permits landlords to allocate the cost for water and sewer to tenants.

Major aspects of the RUBS Regulation:

- ✓ Common area usage (pools (10%), laundry rooms (10%), irrigation systems (15%), etc.) must be deducted before calculating individual tenant bills;
- ✓ The landlord can use one of two approved formulas. If a landlord wants to use any other formula, it must first be submitted to and approved by the Office of Landlord-Tenant Affairs. These two formulas are:
 - Total WSSC bill for month – common area usage ÷ total number of occupants in all rental units at the beginning of the billing cycle:
 1. Multiplied by the number of occupants in the tenant's rental unit at the beginning of the billing cycle (*e.g., in a 4-person household: 2,000-300=1,700/200=8.5x4=34*)

OR

 2. Multiplied by the ratio formula which assigns a fractional portion per occupant as determined by the number of occupants in the tenant's rental unit at the beginning of the billing cycle: (1 occupant=1; 2 occupants=1.6; 3 occupants=2.2; 3+ occupants=2.2+0.4 for each additional person)
(*e.g., in a 4-person household: 2,000-300=1,700/200=8.5x2.6=22.10*)
- ✓ A tenant's bill is to be pro-rated if he/she vacates during a billing period;
- ✓ If an administrative fee is charged to the tenant, it cannot exceed \$1.00 per billing period;
- ✓ The tenant may be billed monthly;
- ✓ Each bill must contain the length of the billing period, the amount due for allocated water and sewer usage, the administrative fee, the total amount due for the billing period, a statement that the bill is not from WSSC, name and address of the tenant, name, address and telephone number of the company sending the bill, and the name, address and telephone number of the person to whom payment is made;
- ✓ The due date on the bill cannot be less than 15 days after it is mailed, or hand delivered to the tenant;
- ✓ The tenant is entitled to a refund if he/she is over billed;
- ✓ The tenant has the right to dispute a bill. Any dispute must be in writing. On receipt of a written dispute, the landlord must investigate the bill and forward a written report on the outcome of that investigation to the tenant within 30 days from the date the dispute was received from the tenant; and,
- ✓ If the landlord does not comply with the provisions of this regulation, the tenant has the right to file a complaint with the Office of Landlord-Tenant Affairs.

The RUBS regulation in its entirety is available at: www.montgomerycountymd.gov/dhca.

Security Deposit Interest

§ 8-203(e)(1) Return of deposit to tenant; interest. Effective January 1, 2015, the interest due on security deposits will be reduced from 3% simple interest per year to the daily U.S. Treasury yield curve rate for 1 year, as of the first business day of each year, or 1.5%, whichever is greater. The security deposit will accrue interest in six-month intervals. *Security deposits accrue interest at the rate in effect when they were paid to the landlord until the date the law changed.* For any year in which the landlord has held the security deposit for less than the full year, the landlord shall pay an amount of interest calculated by:

1. Multiplying the amount of the deposit by the daily U.S. Treasury yield curve rate for 1 year that was in effect as of the first business day of that calendar year, or 1.5%, whichever is greater; and
2. Multiplying the result obtained under item 1 of this subparagraph by a fraction, the numerator of which is the number of months that the deposit was held that year and the denominator of which is 12.

The Department of Housing and Community Development (DHCD) for the State of Maryland shall maintain on its Web site:

1. A list of daily U.S. Treasury yield curve rates for 1 year, as of the first business day of each year, to be used in calculating the interest on a security deposit; or
2. A customized calculator that calculates the interest due on a security deposit by allowing a user to enter a tenancy start date, a tenancy end date, and the amount of the security deposit.

A landlord is entitled to rely on the list of yield curve rates or the customized calculator maintained by DHCD under Section 8-203, subsection (k) of the Real Property Article, Annotated Code of Maryland, 2015 as amended, when calculating the interest on a security deposit paid after January 1, 2015. The calculator can be found at: <http://dhcd.maryland.gov/Pages/RSDCalculator/Default.aspx>

§15-802(b)(2) Dishonored Checks of Maryland Commercial Law -- The maximum amount that can be charged for a returned check is \$35.00.

Lead Paint

Effective January 1, 2015, owners of rental properties built before 1978 are subject to requirements regarding lead-based paint under Maryland State and Federal law. Unless a pre-1978 rental property has been certified as lead-free, landlords must comply with Maryland's Lead Poisoning Prevention Program by:

- ✓ Registering with the Maryland Department of the Environment (MDE) annually and pay an annual fee;
- ✓ Completing proper tenant notification at every tenancy turnover;
- ✓ Satisfying risk reduction at every tenancy turnover; and
- ✓ Satisfying modified risk reduction as required.

All housing built in or after 1979 is presumed to be lead-free.

When filing an action to repossess property, a landlord must certify that the property is currently registered with MDE and give the certificate number, if the law applies to his/her property.

For more information on Maryland's requirements, please visit MDE's website at www.mde.state.md.us or call MDE at 1-800-633-6101X4199 or 410-537-4199 (within Maryland). Information on the Federal requirements is available from the EPA at <http://www.epa.gov/lead/>.

Military Clause (U.S. Service Members Civil Relief Act - SCRA)

When filing an action to repossess property (Failure to Pay Rent, Tenant Holding Over, or Breach of Lease) with the District Court, the landlord must:

- (A) File an affidavit with the court stating whether the tenant is in military service and showing necessary facts to support the affidavit; or,
- (B) File an affidavit stating that he/she is unable to determine whether the tenant is in military service.

This information can be found at www.dmdc.osd.mil/scra.

Foreclosure and Tenants

Pursuant to Section 7-105.6, *Real Property Article, Annotated Code of Maryland, 2015*, tenants have rights in Maryland when renting properties that go into foreclosure. Maryland state law requires that bona fide tenants of residential property are entitled to at least 90 days' notice before termination of the tenancy. A tenancy is considered "bona fide" only if: (a) the tenant is not the child, spouse or parent of the original landlord; (b) the lease transaction was made at arm's length; and (c) the rent is not substantially less than fair market rent for the property (unless the unit's rent is reduced or subsidized due to a federal, State, or local subsidy).

Maryland's notice statute requires that the foreclosing entity send notices to "occupants" twice prior to the foreclosure sale. Each notice must inform occupants that renters likely have rights under their lease and must receive a 90-day notice to vacate from the new owner.

After the foreclosure sale, only the new legal title holder may send a tenant a 90-day notice to vacate. This notice must: (1) be in writing; (2) be sent by first-class and certified mail, return receipt requested; (3) state the date on which the notice is being given; (4) state the date on which the termination of the tenancy is effective; and (5) state the basis for termination - the termination is the expiration of the lease term, sale of the property to a purchaser who will occupy the property as a primary residence, or termination of a month-to-month tenancy. The 90-day notice and lease survival protections apply to all bona fide tenants who signed leases prior to transfer of legal title to the foreclosure sale purchaser.

During the foreclosure process, tenants are still legally obligated to pay rent or risk eviction, however; a purchaser of a one to four-unit property at foreclosure may not collect any rent from tenants unless the purchaser first inquires whether the property is renter-occupied and provides the tenants with contact information of the purchaser or the property manager that is hired to manage the property. If the purchaser fails to give such notice, the purchaser waives the right to collect rent until the notice defect is corrected.

The landlord is still obligated to maintain the property in accordance with applicable law and the tenant can file complaints with Housing Code Enforcement if he/she fails to do so. Tenants are entitled to the return of their security deposit from their former landlord and have the right to file suit against them in the District Court or file a complaint with the Office of Landlord-Tenant Affairs. In either case the tenant may request three times the deposit amount if the deposit is unreasonably withheld, in accordance with the Security deposit law (*See Section V, Security Deposits and Appendix VI, Maryland Security Deposit Law*).

For more information call the Office of Landlord-Tenant Affairs, 240-777-0311.

Office of Common Ownership Communities

Landlords and tenants in condominiums, homeowner associations, or cooperatives, should be aware that they are regulated by the rules of the association as well as their own leases, and that they are subject to enforcement action by the association. To assist in resolving such disputes, the County has created the Commission on Common Ownership Communities (CCOC) which offers advice on the rights of association members and residents, and which decides disputes between associations, their members and residents. For more information, visit: www.montgomerycountymd.gov/ccoc.

Victims of Domestic Violence and Sexual Assault

§ 8-5A, Rental Housing -- Victims of Domestic Violence and Sexual Assault of the Real Property Article, Annotated Code of Maryland, gave affected persons rights they did not have previously. If you are the victim of domestic violence and/or sexual assault; the legal tenant or occupant of the property; and have obtained a final peace or protective order from the Court, you have the following protections under the law:

1. The right to terminate the tenancy with 30 days' written notice, mailed or hand-delivered to the landlord along with a copy of the final peace or protective order.
 - ✓ You must pay rent through the 30-day notice period. Your obligations under the lease cease at that point.
 - ✓ If you do not vacate in accordance with the notice, the landlord has the right to either rescind your notice and require that you comply with the terms of the original lease; OR
 - ✓ File a Tenant Holding Over action against you and have you evicted from the premises.
 - ✓ The landlord must provide you written notice in either instance.

2. The right to have the landlord change the locks upon written notice to the landlord along with a copy of the final peace or protective order.
 - ✓ The lock change shall be completed by the close of the next business day after receipt of a written request from you.
 - ✓ If the landlord fails to change the locks within this timeframe, you have the right to have the locks changed by a certified locksmith without the landlord's permission and give the landlord a copy of the new key by the close of the next business day after the locks have been changed.
 - ✓ If the landlord changes the locks, he/she must provide you with a copy of the key at a mutually agreed upon time, not to exceed 48 hours following the change of the locks.
 - ✓ The landlord may charge you a fee, not to exceed the reasonable cost of changing the locks.
 - ✓ If you fail to pay the fee within 45 days after the locks have been changed, the fee may be added as additional rent or deducted from your security deposit.

Retaliatory Evictions

Section 8-208.1, Retaliatory Actions of the Annotated Code of Maryland, Real Property Article, has been amended, and these are the highlights of the amended law.

If a tenant or tenant's agent has:

- ✓ Filed a good faith complaint of an alleged violation of the lease, law or condition on the leased premises that is a substantial threat to the health and safety of the occupants against the landlord;
- ✓ Filed a lawsuit against the landlord;
- ✓ Testified or participated in a lawsuit involving the landlord; or
- ✓ Participated in any tenants' organization.

A landlord of any residential property may not:

- ✓ Bring or threaten to bring an action for possession against a tenant;
- ✓ Arbitrarily increase the rent or decrease services to which a tenant has been entitled; or
- ✓ Terminate a periodic tenancy (month-to-month).

If the Court finds that the landlord engaged in a retaliatory action or that the tenant's assertion of retaliation was made in bad faith or without substantial justification, either party may be liable for damages not to exceed 3 months' rent, reasonable attorney's fees and court costs.

The tenant cannot raise this defense if rent is not current, OR, if three judgments for Failure to Pay Rent have been entered against him/her in the preceding 12 months.

Nothing in this law precludes a landlord from giving notice to vacate to a month-to-month tenant or at the expiration of a lease.

For more information see Section 8-208.1, of the Annotated Code of Maryland, Real Property Article (2015, as amended).

Section 29-32. Prohibited Retaliatory Practices of the Montgomery County Code states:

(b) A landlord must not evict or attempt to evict or take any other retaliatory action against any tenant who exercises any rights conferred upon the tenant by this Chapter or any tenant who assists another tenant in exercising those rights. As used in this subsection, "other retaliatory action" includes any unreasonable rent increase, threat, coercion, harassment, or violation of privacy, and any reduction in the quality or level of services available to the tenant that is not authorized by this Chapter or state law. Evictions or attempted evictions prohibited by this subsection are "retaliatory evictions."



APPENDIX III. MOST FREQUENTLY ASKED QUESTIONS

LANDLORD-TENANT: 240-777-0311

1. **What is the interest rate on a security deposit?** Effective January 1, 2015, the interest due on security deposits is the daily U.S. Treasury yield curve rate for 1 year, as of the first business day of each year, or 1.5%, whichever is greater.
2. **When does the security deposit have to be returned?** Within 45 days after the end of the tenancy.
3. **Does the landlord have to notify the tenant if he/she is going to keep any of the security deposit?** Yes, the tenant must be sent an itemized list of charges claimed against the deposit together with a statement of the costs actually incurred by the landlord, to the tenant's last known address, within 45 days after the termination of tenancy.
4. **How much notice is required for a rent increase?** The landlord must notify the tenant in writing 90 days prior to the rent being increased.
5. **How often can the landlord raise the rent?** The rent may be increased only once every twelve-months.
6. **How many days can the rent be late before the landlord can impose a late penalty?** The rent must be more than 10 days late.
7. **How much is the late penalty?** The penalty cannot exceed 5% of the monthly rent.
8. **Can the landlord file for Failure to Pay Rent if the rent is one day late?** Yes.
9. **What can the landlord do if a tenant does not pay rent?** The landlord may file a Failure to Pay Rent action in the District Court.
10. **Can the landlord ask the Court to award rent that becomes due after the Failure to Pay Rent action is filed?** Yes, if the Court hearing is not held on or before the fifth business day after the landlord files the complaint, the landlord may ask the Court to award a judgment for all rent that is due and owing up to the date of the hearing, including late fees and any court awarded costs.
11. **I received a notice that I am going to be evicted. Where can I call to find out when the eviction will take place?** If you call the Sheriff's Department at 240-777-7130, the Sheriff will confirm whether an eviction is scheduled for your address but will not provide the date or time. Evictions are generally scheduled at 10:30 a.m. or 1:00 p.m. Monday - Friday however; these are only general guidelines; evictions can take place at any time.

12. **How much notice of his/her intention to vacate must the tenant give the landlord?** The tenant must give written notice, as required by the lease, generally one month for single-family units and two months for multi-family units. Consult the lease for a definitive answer.
13. **How much notice must the landlord give the tenant to vacate?** The landlord must give written notice, at least two months for single-family and multi-family units, if there is no breach of lease. (*See Section VII, Terminating the Lease*).
14. **How much can the landlord increase the rent?** There is no rent control in Montgomery County, therefore, the amount of rent increase is at the discretion of the landlord. However, there is a Voluntary Rent Guideline established annually by the County Executive. This guideline is based on the rental component of the Consumer Price Index for the Washington-Baltimore Metropolitan Area. This guideline **MUST** be given with every notice of rent increase (*See Section VI, Notices*). For more information, call the Office of Landlord-Tenant Affairs at 240-777-0311.
15. **Can the tenant use the security deposit as the last month's rent?** No. The security deposit is protection for the landlord against damage to the property caused by tenants, non-payment of rent and damages incurred due to breach of lease.
16. **How many single people may occupy one rental property?** You may have up to five single, unrelated people living together as a housekeeping unit, sharing one kitchen, if the landlord does not live on the property and up to four unrelated people living together as a housekeeping unit, sharing one kitchen, if the landlord does live there, provided sufficient square footage is available in both instances.
17. **If the landlord will not make repairs, what can a tenant do?** Call Housing Code Enforcement at 240-777-0311. An Inspector will go to the property and put the landlord on notice if he/she finds violations of the Housing Code. The Code Inspector will follow-up with enforcement action in the form of Civil Citations and court action if necessary, if the landlord fails to make required repairs.
18. **Is the landlord required to tell a tenant if there is lead-based paint at the property?** Yes. Landlords must disclose known information on lead-based paint hazards before leases take effect. Per Federal law, this applies to all houses built before 1978. This information must be reported to all tenants. In addition, effective January 1, 2015, all houses built before 1978 must register with the Maryland Department of the Environment (MDE) and comply with Maryland's Lead Poisoning Prevention Program. Landlords will not be licensed if they do not comply with this regulation (*See Section II, Licensing*). For further information on these requirements, call MDE at 1-800-633-6101X4199 or 410-537-4199 (within Maryland).
19. **Can I file a complaint with Landlord-Tenant Affairs if I am renting a room?** No, because room rentals are not covered by Chapter 29 of the County Code. However, Landlord-Tenant staff are available to answer any questions you may have regarding your rights as a tenant in a room rental situation.

HOUSING CODE ENFORCEMENT: 240-777-0311

The mission of the Housing Code Enforcement Section is to maintain and preserve the quality of neighborhoods in general and the housing stock in Montgomery County. The Code Enforcement Section is responsible for administering Chapter 26, Housing and Building Maintenance Standards, Chapter 48, Solid Waste and Chapter 58, Weeds of the Montgomery County Code. Code Enforcement accomplishes these goals by investigating complaints, performing legally required inspections and educating citizens regarding their rights and responsibilities in the area of property maintenance. Complaints can be opened by calling 240-777-0311.

1. **How often is a landlord required to paint a rental property?** At least once every five years, or after the third year of tenancy, if the paint is stained, not intact or cleanable. Repainting is not required between tenancies. However, at the commencement of a tenancy, all painted surfaces must be in a clean condition and free of any peeling or chipping paint.
2. **If there is no heat, what should a tenant do?** The landlord is responsible for maintaining a temperature of at least 68 degrees Fahrenheit in all habitable rooms. If there is inadequate heat, the tenant should first contact the landlord. If the landlord does not respond to make the corrections, call Housing Code Enforcement at 240-777-0311.
3. **Is the landlord required to provide air conditioning?** No. However, if the dwelling has air conditioning, it must be in working order. If not, the tenant should report this to the landlord; if the landlord does not respond, call Housing Code Enforcement at 240-777-0311. There is no County mandated cut-on or cut-off date for air conditioning.
4. **Who is responsible for installing and maintaining smoke detectors?** It is the responsibility of the owner of each rental property to install smoke detectors. At least one smoke detector must be in each sleeping area and one must be in or near each stairwell leading to an occupied area. The tenant is responsible for maintaining the smoke detector, testing to make sure that it is operable. Smoke detectors are a necessity and if they are malfunctioning, contact the landlord for replacement. If a complaint is filed regarding the absence of a smoke detector or one that is malfunctioning, Code Enforcement will arrange an immediate inspection.
5. **Are landlords required to supply window treatments such as blinds and/or curtains?** No.
6. **Are landlords required to provide carpeting?** No, but carpeting may be required by the lease. The lease may require that the tenant provide carpeting for a certain portion of the floor area, generally 80%.
7. **Who is responsible for cleaning the carpet in a rental property?** The tenant.
8. **Who is responsible for cutting the grass in a single-family rental property?** The tenant.
9. **Who is responsible for extermination?** In a multi-family unit, the landlord is responsible for extermination. In a single-family unit, the tenant is responsible for extermination unless the infestation existed when the lease was signed or there is a problem with the property that allows for and/or fosters infestation.
10. **How many people can live in a rental property?** The number of people who can live in a rental property depends on the size of the unit. Rooms for sleeping must provide privacy and be at least 70 square feet for one occupant and be a minimum of 7 feet wide. Rooms for more than one occupant must have 50 square feet for each occupant.
11. **What can I do if my neighbors are noisy?** Complaints concerning excessive amounts of noise are to be referred to the Department of Environmental Protection at 240-777-0311 or the Police Department's non-emergency number at 301-279-8000.
12. **Can you file an anonymous code complaint?** Yes.

LICENSING AND REGISTRATION: 240-777-0311

1. **How much is the license fee?** The County Executive sets fees annually. For current fee information, please call 240-777-0311 or visit our webpage at www.montgomerycountymd.gov/dhcalicensing.
2. **How often do I have to pay the license fee?** The licensing fee is paid once each fiscal year and the fiscal year is July 1st through June 30th of the following year. The fee is not prorated. The entire Rental Facility Licensing Fee is due if the property is rented or offered for rent for any portion of a licensing year.
3. **How do I know when the license fee is due?** If your rental property is currently licensed, a renewal notice and invoice will automatically be sent to you in July of the following year. Renewal license fees are due by July 30th of each year.
4. **What forms of payment are accepted?** License fees may be paid at the Licensing and Registration website by credit card or eCheck at www.montgomerycountymd.gov/dhcalicensing. An AccessMCG account is required to pay licensing fees online. Fees paid by mail or in-person may only be made by check or money order and should be made payable to Montgomery County.
5. **When will I receive my license?** License certificates are issued to multifamily facilities only because the license must be displayed in the lobby, rental office or other prominent public place on the property. In all other cases, the owner or agent may print a copy of the license by visiting the Licensing and Registration website at www.montgomerycountymd.gov/dhcalicensing. An AccessMCG account is required to login to the website and print the license.
6. **Do I have to hire an agent or management company to handle my rental property?** No. Owners may select a management company to oversee the rental property requirements; however, it is not required.
7. **How do I apply for a Rental Facility License?** Applications for Single Family, Condominium or Multifamily Rental Housing Licenses are available at the Licensing and Registration website at www.montgomerycountymd.gov/dhcalicensing. An AccessMCG account is required to apply online, pay license fees or review account information. Paper copies of the rental license applications may be printed from the Licensing and Registration website without an AccessMCG account.
8. **Do owners who live out of state or out of the country have to hire an agent or management company?** Rental property owners who reside outside the State of Maryland must designate a Legal Agent who lives in Maryland (agent for service of process), even if the owner lives nearby in Washington, DC or Virginia. The Legal Agent must agree to accept legal documents on behalf of the out-of-state owner and provide their home address. They DO NOT have to be professional management agents. Legal Agents may be friends, former neighbors or family members; however, the Legal Agent cannot be your tenant.
9. **What do I do if the information I submitted on the original license application changes?** Any changes in information must be reported to the Licensing and Registration Unit within ten days on the Licensing and Registration website at www.montgomerycountymd.gov/dhcalicensing. An AccessMCG account is required to login to the website and update the account information. Failure to report changes will result in the denial of your application and/or the revocation of your license. All registered landlords must provide the Department with a current address for the

receipt of mail. If the Department sends mail to the designated address and it is returned as undeliverable, the Department may treat the mail as having been received.

10. **What do I do if I sell my rental property?** Do I get a refund of the license fee? Notify the Licensing and Registration Unit within ten days on the website at www.montgomerycountymd.gov/dhcalicensing. An AccessMCG account is required to login to the website and update the account information. Refunds of the license fee are not issued when a property is sold during the license year.
11. **Are any units exempt from the licensing requirements?** Yes, a property is exempt from licensing if an individual with an ownership interest in the property occupies it or if occupied by relatives of the owner who meet specific requirements. Please contact the Licensing and Registration unit for more information at 240-777-0311.
12. **Do the licensing laws apply in all areas of Montgomery County?** Rental properties located in the incorporated Cities of Gaithersburg, Rockville and Takoma Park do not fall within the Montgomery County jurisdiction and require their own licenses. Please contact the following incorporated municipalities directly for further information on their licensing requirements:
- | | |
|-----------------------|--------------|
| City of Gaithersburg: | 301-258-6340 |
| City of Rockville: | 240-314-8330 |
| City of Takoma Park: | 301-891-7255 |
13. **Does the landlord need to have a license if he/she wants to rent a room in his/her home?** An owner occupying his/her home, and renting up to two rooms in the home, is not required to obtain a rental facility license.
14. **Are there special licensing requirements for Accessory Apartments?** Yes. A Class 3 Accessory Apartment is a second dwelling that is subordinate to or on the same lot as an existing one-family detached home and has its own provisions for cooking, eating, sanitation and sleeping. Class 3 Accessory Apartments cannot be a townhouse, duplex or mobile home. Please visit the Licensing and Registration website and select How to Apply for Accessory Apartment Class 3 License for more information on licensing requirements or call 240-777-0311.
15. **Are there penalties for failing to obtain a rental license?** Yes. Failure to obtain a rental license is a Class A Violation of the Montgomery County Code punishable by the issuance of civil citations. Property owners who violate this civil citation may be fined \$500 for the initial offense and \$750 for repeat offenses. An individual citation can be issued for each day a rental property is not licensed.
16. **Does the landlord have to comply with the state's Lead Poisoning Prevention Program to obtain a license?** Effective January 1, 2015, all residential rental property must meet the requirements of the state Lead Poisoning Prevention Program in order to be licensed. Properties built before 1978 must provide proof to DHCA of their annual paid registration with the Maryland Department of Environment (MDE) or proof that the rental property is lead free, based on a Lead Inspection Certificate. For more information on the state's lead poisoning requirements or to schedule an inspection, visit MDE's website at www.mde.state.md.us/programs/Land/LeadPoisoningPrevention/Pages/index.aspx.

APPENDIX IV. MOVE IN/MOVE OUT INSTRUCTIONS

Tenant Move In- Move Out Instructions

1. Inspection.

An inspection should be performed with both landlord and tenant present when the tenant moves in to review any problems or deficiencies at the property at the commencement of the tenancy. This will help eliminate problems at the end of the tenancy regarding what conditions were in existence at the commencement of the tenancy.

A move-out inspection will be performed by the landlord. The tenant has the right to be present at the time of inspection to determine if any damage has been done to the property. The tenant needs to notify the Landlord by certified mail fifteen (15) days prior to the tenant's date of moving, if he/she wants to be present for this inspection. The notice must contain the tenant's intention to move, date of moving, and new address. Upon receipt of this notice, the landlord/agent must notify the tenant in writing by certified mail of the time and date when the property will be inspected. The inspection date must occur within five days before or five days after the date of moving as designated in the tenant's notice.

The property must be left vacant and clean. If the tenant is responsible for payment of the final water bill as well as of any other utilities, and they are not paid, payment will be deducted from the security deposit.

2. Utilities

If the tenant is responsible for paying utilities, he/she must request that a final bill be sent to his/her new address, including the final water bill. Make sure the utilities are transferred to the landlord's name, if allowed by the utility company. The landlord should make sure that all utilities are transferred to the new tenant/owner. Service should not be turned off. If that happens, the tenant may be held responsible for any charges against the account, including disconnect/reconnect fees. The telephone numbers for the major local utilities are:

Electric	Water	Gas
PEPCO: 202-833-7500	WSSC: 301-206-4001	Washington Gas: 703-750-1000 or 800-752-7520
		Allegheny Power: 800-255-3443
		Baltimore Gas & Electric: 800-685-0123

3. Thermostat Settings

It is recommended that during spring/summer season (May - September), the thermostat should be set on "cool/auto" at 80 degrees. During the heating season (October - April), the thermostat should be set on "heat/ auto" at 65 degrees. All electrical circuit breakers should be left "on."

4. Water Bill

If the tenant is responsible for paying the water bill, he/she must contact WSSC with both the indoor and outdoor meter readings as of the date he/she moves out and request a final bill. WSSC figures the amount due within three working days. If the tenant does not pay the final bill, the amount owed will be deducted from his/her security deposit.

5. Oil Heat

It is necessary to refer to the lease agreement for the terms of replacement of oil used. If, at the commencement of the tenancy, the tank was full, the tenant may be required to refill it. The lease normally requires that the tenant is responsible for filling the oil tank before he/she vacates the property. A copy of the paid receipt should be given to the landlord.

6. Fireplace

The tenant is responsible for cleaning the fireplace when you vacate the property.

7. Carpets

The condition of the carpets should be carefully noted when a tenant moves into the property. Some leases require that the carpets be professionally cleaned when the tenant vacates. Please refer to your lease. If the tenant fails to do so, the landlord can have the carpets professionally cleaned and deduct the amount paid from the security deposit.

8. Move-Out Condition

The tenant is required to leave the property in clean condition; particular attention should be paid to kitchen appliances and bathrooms, and all burned-out light bulbs should be replaced. The tenant should not spackle walls to fill nail or screw holes or paint walls or trim. The tenant should arrange for the removal of all trash from the property. In areas where Montgomery County provides trash removal, Montgomery County Solid Waste Services can be called at 240-777-0311 for special trash pick-up.

9. Refrigerator

The refrigerator should be left "on", but the setting may be turned to low/energy saver.

10. Keys

Keys, garage door openers, etc. given to the tenant at move-in are to be noted on the inspection sheet.

All keys, including mailbox, storage, and laundry room keys, as well as garage door openers and all parking and pool passes are to be returned at the termination of tenancy.

The Office of Landlord-Tenant Affairs has published a brochure entitled "**What is Ordinary Wear and Tear**" which is available at our office or on our website at www.montgomerycountymd.gov/dhca. This brochure explains the difference between damage and normal wear and tear and is a useful guide for both landlords and tenants.

Copies of the Inspection Report (*see Appendix V, Inspection Report*) are available online and at the Office of Landlord-Tenant Affairs.

APPENDIX V. INSPECTION REPORT

Address _____

Move-In Inspection Date __/__/__ Move-Out Inspection Date __/__/__

S = Satisfactory; U = Unsatisfactory

KITCHEN	S	U	Move-In Comments	S	U	Move-Out Comments
Refrigerator						
Stove						
Exhaust Fan						
Sink						
Countertop(s)						
Dishwasher						
Disposal						
Cabinets						
Walls						
Floor						
Window(s)						
Screen(s)						
Other						
LIVING ROOM						
Carpeting/ Floor						
Wall(s)						
Window(s)						
Blinds/Shades						
Screen(s)						
Other						
DINING ROOM						
Carpeting/ Floor						
Wall(s)						
Window(s)						
Blinds/Shades						
Screen(s)						
Other						

BEDROOM 1	S	U	Move-In Comments	S	U	Move-Out Comments
Carpeting/Floor						
Wall(s)						
Closet(s)						
Window(s)						
Blinds/Shades						
Screen(s)						
Other						
BEDROOM 2						
Carpeting/Floor						
Wall(s)						
Closet(s)						
Window(s)						
Blinds/Shades						
Screen(s)						
Other						
BEDROOM 3						
Carpeting/Floor						
Wall(s)						
Closet(s)						
Window(s)						
Blinds/Shades						
Screen(s)						
Other						
BASEMENT						
Carpeting/Floor						
Wall(s)						
Closet(s)						
Window(s)						
Blinds/Shades						
Screen(s)						
Steps/Railing						
Sump Pump						
Other						

EXTERIOR	S	U	Move-In Comments	S	U	Move-Out Comments
Sidewalk						
Driveway						
Steps/Railing						
Light fixtures						
Porch						
Gutters/Downspouts						
Grass						
Trees/Shrubbery						
Fence						
Garage						
Shed						
Window Wells						
Patio/Deck						
Sliding Glass Door						
Screen(s)						
Other						
WASHER						
DRYER						
SWITCHES						
OUTLETS						
DOORS						
LOCKS						

COMMENTS _____

_____ Tenant	_____ Move-in Date	_____ Landlord/Agent	_____ Move-In Date
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_____ Tenant	_____ Move-in Date	_____ Landlord/Agent	_____ Move-In Date
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_____ Tenant	_____ Move-in Date	_____ Landlord/Agent	_____ Move-In Date
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_____ Tenant	_____ Move-Out Date	_____ Landlord/Agent	_____ Move-Out Date
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_____ Tenant	_____ Move-Out Date	_____ Landlord/Agent	_____ Move-Out Date
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_____ Tenant	_____ Move-Out Date	_____ Landlord/Agent	_____ Move-Out Date
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APPENDIX VI. MARYLAND SECURITY DEPOSIT LAW

Real Property Article, Annotated Code of Maryland, 2015 as amended

§ 8-203. Security Deposits

- (a) *Definitions* - (1) In this section the following words have the meanings indicated.
- (2) "Landlord" means a landlord or a prospective landlord.
 - (3) "Security deposit" means any payment of money, including payment of the last month's rent in advance of the time it is due, given to a landlord by a tenant in order to protect the landlord against nonpayment of rent, damage due to breach of lease, or damage to the leased premises, common areas, major appliances, and furnishings.
 - (4) "Tenant" means a tenant or a prospective tenant.
- (b) *Maximum amount* - (1) A landlord may not impose a security deposit in excess of the equivalent of two months' rent per rental property, regardless of the number of tenants.
- (2) If a landlord charges more than the equivalent of two months' rent per rental property as a security deposit, the tenant may recover up to threefold the extra amount charged, plus reasonable attorney's fees.
 - (3) An action under this section may be brought at any time during the tenancy or within two years after its termination.
- (c) *Receipt* - The landlord shall give the tenant a receipt for the security deposit as specified in Section 8-203.1 of this subtitle. The receipt may be included in a written lease.
- (d) *Maintenance of accounts or certificates of deposit in financial institutions; sale or transfer of landlord's interest* - (1)(i) The landlord shall maintain all security deposits in federally insured financial institutions, as defined in §1-1-1 of the Financial Institutions Article, which do business in the State.
- (ii) Security deposit accounts shall be maintained in branches of the financial institutions which are located within the State and the accounts shall be devoted exclusively to security deposits and bear interest.
 - (iii) A security deposit shall be deposited in an account within 30 days after the landlord receives it.
 - (iv) The aggregate amount of the accounts shall be sufficient in amount to equal all security deposits for which the landlord is liable.
- (2)(i) In lieu of the accounts described in paragraph (1) of this subsection, the landlord may hold the security deposits in insured certificates of deposit at branches of federally insured financial institutions, as defined in §1-101 of the Financial Institutions Article, located in the state or in securities issued by the Federal government or the State of Maryland.
- (ii) In the aggregate certificates of deposit or securities shall be sufficient in amount to equal all security deposits for which the landlord is liable.
- (3) In the event of sale or transfer of the landlord's interest in the leased premises, including receivership or bankruptcy- the landlord or the landlord's estate, but not the managing agent or court appointed receiver, shall remain liable to the tenant and the transferee for maintenance of the security deposit as required by law, and the withholding and return of security deposit plus interest as required by law, as to all or any portion of the security deposit that the landlord fails to deliver to the transferee together with an accounting showing the amount and date of the original deposit, the records of the interest rates applicable to the security deposit, if any, the name and last known address of the tenant from whom or on whose behalf the deposit was received.
- (4) Any successor in interest is liable to the tenant for failure to return the security deposit, together with interest, as provided in this section.
- (e) *Return of deposit to tenant; interest* - (1) (i) Within 45 days after the end of the tenancy, the landlord shall return the security deposit to the tenant together with simple interest which has accrued at the daily

U.S. Treasury yield curve rate for 1 year, as of the first business day of each year, or 1.5%, whichever is greater, less any damages rightfully withheld.

(ii) For any year in which the landlord has held the security deposit for less than the full year, the landlord shall pay an amount of interest calculated by:

1. Multiplying the amount of the deposit by the daily U.S. Treasury yield curve rate for 1 year that was in effect as of the first business day of that calendar year, or 1.5%, whichever is greater; and
2. Multiplying the result obtained under item 1 of this subparagraph by a fraction, the numerator of which is the number of months that the deposit was held that year and the denominator of which is 12.

(2) Interest shall accrue at six-month intervals from the day the tenant gives the landlord the security deposit. Interest is not compounded.

(3) Interest shall be payable only on security deposits of \$ 50 or more.

(4) If the landlord, without a reasonable basis, fails to return any part of the security deposit, plus accrued interest, within 45 days after the termination of the tenancy, the tenant has an action of up to threefold of the withheld amount, plus reasonable attorney's fees.

(f) *Withholding of deposit -- Generally; tenant's right to be present at inspection of premises -* (1)(i) The security deposit, or any portion thereof, may be withheld for unpaid rent, damage due to breach of lease or for damage by the tenant or the tenant's family, agents, employees, guests or invitees in excess of ordinary wear and tear to the leased premises, common areas, major appliances, and furnishings owned by the landlord.

(ii) The tenant has the right to be present when the landlord or the landlord's agent inspects the premises in order to determine if any damage was done to the premises, if the tenant notifies the landlord by certified mail of the tenant's intention to move, the date of moving, and the tenant's new address.

(iii) The notice to be furnished by the tenant to the landlord shall be mailed at least 15 days prior to the date of moving.

(iv) Upon receipt of the notice, the landlord shall notify the tenant by certified mail of the time and date when the premises are to be inspected.

(v) The date of inspection shall occur within five days before or five days after the date of moving as designated in the tenant's notice.

(vi) The tenant shall be advised of the tenant's rights under this subsection in writing at the time of the tenant's payment of the security deposit.

(vii) Failure by the landlord to comply with this requirement forfeits the right of the landlord to withhold any part of the security deposit for damages.

(2) The security deposit is not liquidated damages and may not be forfeited to the landlord for breach of the rental agreement, except in the amount that the landlord is actually damaged by the breach.

(3) In calculating damages for lost future rents any amount of rents received by the landlord for the premises during the remainder if any, of the tenant's term, shall reduce the damages by a like amount.

(g) *Withholding of deposit -- Notice to tenant. --*

(1) If any portion of the security deposit is withheld, the landlord shall present by first-class mail directed to the last known address of the tenant, within 45 days after the termination of the tenancy, a written list of the damages claimed under subsection (f)(1) of this section together with a statement of the cost actually incurred.

(2) If the landlord fails to comply with this requirement, the landlord forfeits the right to withhold any part of the security deposit for damages.

(h) *Tenant ejected or evicted or abandoning premises. --*

(1) The provisions of subsections (e)(1) and (4) and (g)(1) and (2) of this section are inapplicable to a tenant who has been evicted or ejected for breach of a condition or covenant of a lease prior to the termination of the tenancy or who has abandoned the premises prior to the termination of the tenancy.

(2) (i) A tenant specified in paragraph (1) of this subsection may demand return of the security deposit by giving written notice by first-class mail to the landlord within 45 days of being evicted or ejected or of abandoning the premises.

(ii) The notice shall specify the tenant's new address.

(iii) 1. The landlord, within 45 days of receipt of such notice, shall present, by first-class mail to the tenant, a written list of the damages claimed under subsection (f)(1) of this section together with a statement of the cost actually incurred and shall return to the tenant the security deposit together with simple interest which has accrued at the daily U.S. Treasury yield curve rate for 1 year, as of the first business day of each year, or 1.5%, whichever is greater, less any damages rightfully withheld.

2. For any year in which the landlord has held the security deposit for less than the full year, the landlord shall pay an amount of interest calculated by:

A. Multiplying the amount of the deposit by the daily U.S. Treasury yield curve rate for 1 year that was in effect as of the first business day of that calendar year, or 1.5%, whichever is greater; and

B. Multiplying the result obtained under item 1 of this subparagraph by a fraction, the numerator of which is the number of months that the deposit was held that year and the denominator of which is 12.

(3) (i) If a landlord fails to send the list of damages required by paragraph (2) of this subsection, the right to withhold any part of the security deposit for damages is forfeited.

(ii) If a landlord fails to return the security deposit as required by paragraph (2) of this subsection, the tenant has an action of up to threefold of the withheld amount, plus reasonable attorney's fees.

(4) Except to the extent specified, this subsection may not be interpreted to alter the landlord's duties under subsections (e) and (g) of this section.

(i) Security bond. --

(1) Under this subsection, a landlord:

(i) May not require the tenant to purchase a surety bond; and

(ii) Is not required to consent to the tenant's purchase of a surety bond.

(2) (i) Instead of paying all or part of a security deposit to a landlord under this section, a tenant may purchase a surety bond to protect the landlord against:

1. Nonpayment of rent;

2. Damage due to breach of lease; or

3. Damage caused by the tenant or the tenant's family, agents, employees, guests or invitees in excess of ordinary wear and tear to the leased premises, common areas, major appliances, or furnishings owned by the landlord.

(ii) A surety shall refund to a tenant any premium or other charge paid by the tenant in connection with a surety bond if, after the tenant purchases a surety bond, the landlord refuses to accept the surety bond, or the tenant does not enter into a lease with the landlord.

(3) (i) The amount of a surety bond purchased instead of a security deposit may not exceed two months' rent per dwelling unit.

(ii) If a tenant purchases a surety bond and provides a security deposit in accordance with this section, the aggregate amount of both the surety bond and security deposit may not exceed two months' rent per dwelling unit.

(iii) 1. If a landlord consents to a surety bond but requires the surety bond to be in an amount in excess of two months' rent, the tenant may recover up to three times the extra amount charged for the surety bond, plus reasonable attorney's fees.

2. If a landlord consents to both a surety bond and a security deposit but requires the surety bond and the security deposit to be in an aggregate amount in excess of two months' rent, the tenant may recover up to three times the extra amount charged for the surety bond, plus reasonable attorney's fees.

(4) **Before a tenant purchases a surety bond instead of paying all or part of a security deposit, a surety shall disclose in writing to the tenant that:**

(i) Payment for a surety bond is nonrefundable;

(ii) The surety bond is not insurance for the tenant;

(iii) The surety bond is being purchased to protect the landlord against loss due to nonpayment of rent, breach of lease, or damages caused by the tenant;

(iv) The tenant may be required to reimburse the surety for amounts the surety paid to the landlord;

(v) Even after a tenant purchases a surety bond, the tenant is responsible for payment of:

1. All unpaid rent;
2. Damage due to breach of lease; and
3. Damage by the tenant or the tenant's family, agents, employees, guests, or invitees in excess of ordinary wear and tear to the leased premises, common areas, major appliances, or furnishings owned by the landlord;

(vi) The tenant has the right to pay the damages directly to the landlord or require the landlord to use the tenant's security deposit, if any, before the landlord makes a claim against the surety bond; and

(5) (i) A tenant who purchases a surety bond in accordance with this subsection has the right to have the dwelling unit inspected by the landlord in the tenant's presence for the purpose of making a written list of the damages that exist at the commencement of the tenancy, if the tenant requests an inspection by certified mail within 15 days of the tenant's occupancy.

(ii) A tenant who provides a surety bond under this subsection shall have all the rights provided under subsection (f)(1)(ii) through (v) of this section.

(iii) The surety or landlord shall deliver to a tenant a copy of any agreements or documents signed by the tenant at the time of the tenant's purchase of the surety bond.

(iv) A tenant shall be advised in writing of all of the tenant's rights under this subsection prior to the purchase of a surety bond.

*For more information on Security Bonds, go to: <http://www.lexisnexis.com/hottopics/mdcode/>

§ 8-203.1 Security Deposit Receipt

(a) *Contents* - A receipt for a security deposit shall notify the tenant of the following: (1) The right to have the rental property inspected by the landlord in the tenant's presence for the purpose of making a written list of damages that exist at the commencement of the tenancy if the tenant so requests by certified mail within 15 days of the tenant's occupancy;

(2) The right to be present when the landlord inspects the premises at the end of the tenancy in order to determine if any damage was done to the premises if the tenant notifies the landlord by certified mail at least 15 days prior to the date of the tenant's intended move, of the tenant's intention to move, the date of moving, and the tenant's new address;

(3) The landlord's obligation to conduct the inspection within 5 days before or after the tenant's stated date of intended moving;

(4) The landlord's obligation to notify the tenant in writing of the date of the inspection;

(5) The tenant's right to receive, by first class mail, delivered to the last known address of the tenant, a written list of the charges against the security deposit claimed by the landlord and the actual costs, within 45 days after the termination of the tenancy;

(6) The obligation of the landlord to return any unused portion of the security deposit, by first class mail, addressed to the tenant's last known address within 45 days after the termination of the tenancy; and

(7) A statement that failure of the landlord to comply with the security deposit law may result in the landlord being liable to the tenant for a penalty of up to 3 times the security deposit withheld, plus reasonable attorney's fees.

(b) *Retention for 2 years* - The landlord shall retain a copy of the receipt for a period of 2 years after the termination of the tenancy, abandonment of the premises, or eviction of the tenant, as the case may be.

(c) *Landlord penalty* - The landlord shall be liable to the tenant in the sum of \$25 if the landlord fails to provide a written receipt for the security deposit.

APPENDIX VII. MODEL LEASES



The Office of Landlord-Tenant Affairs, in cooperation with the Montgomery County Commission on Landlord-Tenant Affairs, Greater Capital Area Association of Realtors, Inc. and the Apartment and Office Building Association of Metropolitan Washington (AOBA), has made available to the public two model leases:

- ✓ Montgomery County Single Family Dwelling Lease; and,
- ✓ Montgomery County Apartment and Condominium Lease.

In addition to the leases above, there is also a model:

- ✓ Montgomery County Accessory Apartment Lease.

All leases have been updated to comply with recent changes to the law. The Lease Summary required by law is also available on our website.

A model Rental Application is also available. This form **must** be used when requesting a credit report from the Department (*see Section III, Application Process*). These documents are available free of charge and can be downloaded from our website, www.montgomerycountymd.gov/dhca or by contacting:

Montgomery County Department of Housing and Community Affairs
Office of Landlord-Tenant Affairs
1401 Rockville Pike, 4th Floor
Rockville, MD 20852
PHONE: 240-777-0311; TDD: 711; FAX: 240-777-3691

Although the Department does not have jurisdiction over room rentals, a model Room Rental Lease is also available on our website in English and Spanish.



APPENDIX VIII. EMERGENCY RESOURCES

If you receive a *Failure to Pay Rent* notice, utility cutoff notice, need rental assistance and are a low or moderate-income tenant, or have some other emergency, you may be eligible to receive assistance. Please contact one of the following numbers and ask about the County's emergency assistance programs:

Montgomery County Information and Referral Line	240-777-0311
Montgomery County Crisis Hotline (24 hours)	240-777-4000
Germantown Crisis Intervention 12900 Middlebrook Road, Germantown	240-777-4448
Rockville Crisis Intervention 1301 Piccard Drive, Rockville	240-777-4550
Silver Spring Crisis Intervention 8818 Georgia Avenue, Silver Spring	240-777-3075
Maryland Energy Assistance Program 1301 Piccard Drive, Rockville	240-777-4450
Rental Assistance Program 1301 Piccard Drive, Rockville	240-777-4400
Bethesda-Chevy Chase Center 4805 Edgemoor Lane, Bethesda	240-777-8200

If you speak a language other than English and you need assistance, call:

TESS Community Service Center 8513 Piney Branch Road, Silver Spring	240-773-8260
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If you have questions regarding cases pending in the District Court, call the Clerk of the Court. Be sure you have your case number.

Clerk of the District Court (Landlord-Tenant) 191 East Jefferson Street, Rockville	301-563-8800
Clerk of the District Court (Small Claims) 191 East Jefferson Street, Rockville	301-563-8800

If you are low income and need legal assistance, call Legal Aid or the Pro Bono Clinic. All others call the Self-Help Center of the District Court.

Legal Aid Bureau 240-314-0373
600 Jefferson Plaza, Suite 430, Rockville

Montgomery County Pro Bono Program 301-424-7651

Self Help Center (District Court of Maryland) 410-260-1392
mdcourts.gov/selfhelp

If you want information regarding your pending eviction, call the Sheriff.

Eviction Section. 240-777-7130

Information regarding lead paint and lead paint abatement is available from the Maryland Department of the Environment.

LEAD Hotline 1-800-776-2706



Department of Housing and Community Affairs

Office of Landlord-Tenant Affairs

Montgomery County, Maryland
1401 Rockville Pike, 4th Floor
Rockville, MD 20852

Phone: 240-777-0311 TDD: 711
(311 within Montgomery County)
Fax: 240-777-3691

www.montgomerycountymd.gov/dhca

