

## CHAPTER 794

(House Bill 682)

AN ACT to add new Section 45 to Article 53 of the Annotated Code of Maryland (1972 Replacement Volume), title "Landlord and Tenant", to follow immediately after Section 44 thereof, and to be under the new subtitle "Limitations on Rental Fee Increases", to impose certain limitations on the power of landlords to increase their rental fees; to provide certain exceptions to the limitations; to provide when this Act shall be superseded; to authorize local governments to enact measures concerning rental fees which supersede this act; to provide a severability clause; to provide this Act shall take effect on June 1, 1973, and to provide that these limitations shall terminate on July 1, 1974.

Whereas, The State of Maryland is confronted with an environmental crisis of emergency proportions; and

Whereas, The State of Maryland is confronted with an economic crisis; and

WHEREAS, Both of these crises have combined to create an emergency shortage in the availability of housing; and

WHEREAS, The Maryland General Assembly, in the exercise of its police power, believes it must take immediate action of a temporary nature for the duration of this crisis because of the termination of Federal Rent Stabilization on January 11, 1973; now, therefore,

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That new Section 45 be and it is hereby added to Article 53 of the Annotated Code of Maryland (1972 Replacement Volume), title "Landlord and Tenant", to follow immediately after Section 44 thereof, to be under the new subtitle "Limitations on Rental Fee Increases", and to read as follows:

## 45. LIMITATIONS ON RENTAL FEE INCREASES.

(A) NO LANDLORD RENTING FOUR OR MORE UNITS MAY INCREASE ANY RENTAL FEE FOR ANY RESIDENTIAL PREMISES OR FOR THE PART OF ANY PREMISES WHICH IS USED AS A RESIDENCE BEYOND AN AMOUNT WHICH IS FIVE PERCENT (5%) OF THE RENTAL FEE WHICH WAS IN EFFECT ON JANUARY 11, 1973 EXCEPT AS PROVIDED IN SUBSECTION(B). ALL RENT INCREASES SUBSEQUENT TO JANUARY 11, 1973, WHICH EXCEED FIVE PERCENT (5%) OF THE RENTAL FEE WHICH WAS IN EFFECT ON THAT DATE SHALL BE NULL AND VOID.

(B) HOWEVER, THE LANDLORD MAY ALSO ADD TO THE RENTAL FEE PERMITTED IN SUBSECTION (A) THE PROPORTIONATE SHARE OF THE AMOUNT OF ANY INCREASES IN COSTS TO THE LANDLORD FOR THE PREMISES SINCE JANUARY 11, 1973, RESULTING FROM INCREASES IN REAL ESTATE TAXES, WATER AND SEWER CHARGES, UTILITY RATES, AND ANY ACTUAL COST OF CAPITAL IMPROVEMENTS CONSTRUCTED SINCE THAT DATE. THE CALCULATION OF THE PROPORTIONATE INCREASE IN RENTAL FEE SHALL BE IN ACCORDANCE WITH THE RULES ESTABLISHED UNDER 6 CODE OF FEDERAL REGULATIONS 301.101 (A)(3) AND (B) INsofar AS APPLICABLE. WRITTEN DOCUMENTATION OF THE BASIS UPON WHICH THE PROPORTIONATE INCREASE IN THE RENTAL FEE IS CALCULATED SHALL BE MADE AVAILABLE TO THE TENANT AT THE TIME THE TENANT IS NOTIFIED OF THE RENT