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**CITY OF HYATTSVILLE  
ORDINANCE 2024-**

**An Ordinance whereby the City Council Adopts Rent  
Stabilization Legislation.**

**WHEREAS,** the Maryland Code, Local Government Article, Section 5–202, as amended, authorizes the legislative body of each municipal corporation in the State of Maryland to pass ordinances that such legislative body deems necessary to assure the good government of the municipality, to protect and preserve the municipality’s rights, property and privileges, to preserve peace and good order, to secure persons and property from danger and destruction, and to protect the health, comfort, and convenience of the citizens of the municipality;

**WHEREAS,** Section C3-1 of the City Charter states that the Council has the power to pass all such ordinances not contrary to the Constitution and laws of the State of Maryland as it may deem necessary for the good government of the City, for the protection and preservation of the City’s property, rights, and privileges, for the preservation of peace and good order, for securing persons and property from violence, danger or destruction, and for the protection and promotion of the health, safety, comfort, convenience, welfare, and happiness of the residents of and visitors in the City;

**WHEREAS,** the Mayor and Council, have determined that [insert policy statement]

**NOW, THEREFORE, BE IT ORDAINED,** by the City Council of the City of Hyattsville in regular session assembled that Chapter 97 of the City Code be enacted as follows:

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**Chapter 97**

**RENT STABILIZATION**

**Sections:**

**§ 97-X Definitions.**

- § 97-X Rental Property Registry.
- § 97-X Application of rent stabilization—Scope, rent increases, notification requirements, annual reporting.
- § 97-X Buildings exempt from rent stabilization.
- § 97-X Rental facilities and rental units eligible for exemption from rent stabilization pursuant to an application for exemption.
- § 97-X Establishment of base rent for certain units.
- § 97-X Annual rent increases, frequency of rent increases and notification.
- § 97-X Banking of authorized annual rent stabilization increases.
- § 97-X Annual reporting requirements.
- § 97-X Rent increases pursuant to a fair return petition.
- § 97-X Fees - Permitted fees, optional fees and prohibited fees.
- § 97-X Utilities – Charges to tenant and transfer of utility payments.
- § 97-X
- § 97-X
- § 97-X Violations and enforcement.

**ARTICLE I – RENT STABILIZATION**

**§ 97-X Definitions.**

For the purposes of this title, the following words and phrases shall have the following meanings:

“Accessory apartment” means a completely independent living unit with separate cooking, eating, sanitation and sleeping facilities that is either within an owner-occupied single-family detached dwelling or located in a separate accessory structure on the same lot as the main dwelling.

“Affected tenant” means any tenant whose health, safety and welfare is or reasonably may be impaired by a violation of this title. For purposes of filing a Commission complaint, an “affected tenant” includes a bona fide prospective tenant and a former tenant.

“Apartment” means any room or group of rooms located within a dwelling forming a single habitable unit and including cooking facilities.

“Building” means any structure used or intended to be used for supporting or sheltering any use or occupancy. Building may include any premises and grounds appurtenant to the structure.

- 1 “City” means the City of Hyattsville, Maryland.
- 2 “City Administrator” means the City Administrator of the City of Hyattsville, Maryland, or their  
3 designee.
- 4 “Code Official” or “Code Enforcement Officer” includes Code Enforcement Officers, inspectors,  
5 employees, and City contractors or agents charged with the responsibility of inspecting buildings  
6 and property in the City for purposes of determining compliance with the property maintenance  
7 code and other applicable codes, issuing rental housing licenses, determining whether any  
8 condition exists that renders a building an unsafe building, and investigating complaints filed by  
9 any person to the effect that a building or property is or may be in violation of the terms of this  
10 title.
- 11 “Consumer Price Index” or “CPI-U” means the Consumer Price Index, All Urban Consumers, DC-  
12 MD-VA-WV, All Items, December 2023 = 100 (“CPI-U”) or any replacement or successor index.
- 13 “Department” means the City of Hyattsville, Maryland’s Department of Community and  
14 Economic Development.
- 15 “Housing Staff Liaison” means the City of Hyattsville staff member assigned by the City  
16 Administrator to be the City’s administrative support and is authorized pursuant to Code or  
17 regulation to act on its behalf in certain circumstances.
- 18 Family Member of an Owner. A family member of an owner includes any of the following:
- 19 1. An owner’s spouse or domestic partner;
- 20 2. An owner’s former spouse or former domestic partner;
- 21 3. An owner’s parents, grandparents, children, grandchildren, siblings, aunts, uncles, nieces  
22 and nephews;
- 23 4. An owner’s spouse or domestic partner’s parents, grandparents, children, grandchildren,  
24 siblings, aunts, uncles, nieces and nephews.
- 25 “Judgment rate of interest” means the interest rate set forth in accordance with Section 11-107(a)  
26 and (b) of the Courts and Judicial Proceedings Article of the Annotated Code of Maryland, as  
27 amended.
- 28 “Landlord” means any person who is the owner, the owner’s agent, or a lessor or a sub lessor of  
29 the rental unit or rental facility and, in addition, shall mean any person authorized to exercise any  
30 aspect of the management of the rental facility, except those persons engaged solely in custodial  
31 and maintenance functions.
- 32 “Lease” means any agreement, whether written or oral, that establishes or modifies the terms,  
33 conditions, rules, regulations or any other provisions concerning the use and occupancy of a rental  
34 unit or a rental facility.

1 “Limited equity housing cooperative” means a cooperative housing corporation, either domestic  
2 or foreign, qualified in the State of Maryland, either stock or nonstock, in which each shareholder  
3 or member has a cooperative interest in the corporation and in which the appreciation of share  
4 values or membership interests is limited to the annual rate of inflation or other comparable index.

5 “Maximum allowable annual rent increase” or “MAARI” means the maximum annual allowable  
6 percentage increase in price per unit for non-exempt rental properties within the City of  
7 Hyattsville, which shall be equal to the average annual percentage increase in the Consumer Price  
8 Index for all Urban Consumers from September to September of the two most recent calendar  
9 years, rounded to the nearest whole number, which becomes effective on January 1<sup>st</sup> of the  
10 upcoming year for twelve months.

11 “Nonresidential structure” means any structure or portion of a building, structure, or premises not  
12 intended for use for residential purposes such as a commercial business, garage or shed.

13 “Occupant” means any person who, lawfully or unlawfully, is living, sleeping, cooking, eating in  
14 or in actual possession of a building. An occupant shall include a tenant, an owner and a family  
15 member of an owner.

16 “Owner” means any person, agent, operator, firm or corporation having a legal or equitable interest  
17 in a property; or recorded in the official records of the State or County as holding title to a property;  
18 or otherwise having charge, care or control of the property, including the guardian, executor or  
19 administrator of the estate of any such person.

20 “Owner-occupied group house” means a single-family dwelling occupied by the owner as their  
21 principal residence or a family member of the owner and by one or more other nonrelated  
22 individuals who have an obligation to pay rent, utilities or provide other consideration to the owner  
23 for such accommodations. Occupants share cooking and sanitation facilities and common living  
24 areas. Occupants of owner-occupied group houses are not considered tenants for purposes of this  
25 chapter.

26 “Party” means the landlord, tenant or tenant association in a Commission complaint or the landlord  
27 filing a petition, and any tenant whose rent is proposed to be increased in a rent increase petition.

28 “Person” means an individual, corporation, limited liability company, partnership, limited  
29 partnership, limited liability partnership, trust, association, organization, or any other legal entity  
30 acting as a unit.

31 “Petition” means a request by a landlord for a fair return rent increase above the rent stabilization  
32 allowance.

33 “Premises” means a lot, plot or parcel of land, easement or public right-of-way, including any  
34 buildings and structures thereon.

35 “Rent” means the consideration, including any bonus, benefit, or gratuity, demanded or received  
36 per day, week, month, year, or other period of time as the case may be, for the use or occupancy  
37 of housing accommodations or the transfer of a lease for such accommodations. Rent includes any

1 charge to a tenant under a rent-to-own agreement if the tenant’s acceptance of the agreement is  
2 mandatory or if the tenant is not entitled to a refund of the charge if the tenant does not purchase  
3 the unit.

4 “Rental facility” or “residential rental structure” means any building or group of buildings operated  
5 as one entity in which the landlord provides one or more rental units to a tenant for rent or other  
6 compensation. A rental facility does not include the following:

- 7 1. Hospitals, nursing homes, convalescent homes, hospices, and other health care facilities;
- 8 2. Religious facilities such as churches, synagogues, parsonages, rectories, convents and  
9 parish homes;
- 10 3. Transient facilities such as hotels, motels, tourist homes, bed and breakfast facilities;
- 11 4. School dormitories; and
- 12 5. Owner-occupied group houses.

13 “Rental unit” means an apartment, single-family house, accessory apartment or condominium unit  
14 that is occupied or is intended to be occupied by one or more tenants.

15 “City’s Arbitrator” means the City’s Arbitrator, whose duties include reviewing fair return  
16 petitions and issuing preliminary administrative decisions.

17 “Rent stabilization allowance” means the percentage by which the rent for a rental unit may be  
18 increased on or after 12 full months from the effective date of the last rent increase for that rental  
19 unit.

20 “Tenant” means any person who occupies a rental unit or rental facility as a residence with the  
21 consent of the landlord and has an obligation to pay rent or provide other consideration to the  
22 landlord for such accommodations. A tenant does not include an occupant of an owner-occupied  
23 group house, or an employee of the landlord (such as a resident or property manager, nanny,  
24 babysitter, au pair or maid).

25 **§ 97-X. Rental Property Registry.**

26 A. The City shall utilize the rental licensing information gathered pursuant to Chapter 96 of  
27 the City of Hyattsville Code to create and maintain a rental property registry. The rental property  
28 registry shall be publicly accessible and shall:

- 29 1. Identify all licensed rental properties in the City of Hyattsville; and
- 30 2. Identify rental units that are subject to rent stabilization.

31 B. In order for a rental property in the City of Hyattsville to operate lawfully and to increase  
32 rent, it must be licensed and on the City’s rental registry.

1 C. Although it is the absolute responsibility of the property owner to ensure a rental property  
2 is licensed with the City pursuant to Chapter 96 of this Code and on the rental registry as  
3 required by this section, the City will cause annual notices to be sent to owners informing them:

- 4 1. To register rental units;
- 5 2. To pay the occupancy permit fee; and
- 6 3. Of the allowable rate increase for properties subject to the City's rent  
7 stabilization.

8 **§ 97-X Application of rent stabilization—Scope, rent increases, notification requirements,**  
9 **annual reporting.**

10 A. Application of Rent Stabilization. The provisions of this chapter shall apply to all residential  
11 rental units except as provided in Sections 97-X and 97-X.

12 C. Rents—Rent Increases, Frequency and Notification Requirements.

13 1. Rent Increases. Rent increases shall be limited to the rent increase amounts authorized by  
14 this chapter for regulated rental units.

15 2. Frequency of Rent Increases. Rents for any individual rental unit may not be increased  
16 more often than permitted by this chapter.

17 3. Notice of Rent Increases. Notification of any rent increase authorized by this chapter shall  
18 be provided in writing to the tenant at least two months prior to the date the rent increase is to  
19 take effect.

20 D. Reporting of Rents. Landlords must file an annual rent report with the Department on a form  
21 prescribed by the Department in accordance with Section 97-X.

22 E. The City Administrator shall adopt regulations to support the implementation of the City's Rent  
23 Stabilization program.

24 **§ 97-X Buildings exempt from rent stabilization.**

25 A. Scope of Exemptions. The provisions of this chapter shall not be applicable to the following:

26 1. Any unit in a licensed facility, the primary purpose of which is the diagnosis, cure,  
27 mitigation and treatment of illnesses;

28 2. Any rental property that is less than 15 years old;

29 3. Any unit in a facility owned or leased by an organization exempt from Federal income  
30 taxes pursuant to Section 501(c)(3) of the Internal Revenue Code, the primary purpose of  
31 which is to provide temporary sanctuary or shelter for qualified clients; provided, that the  
32 organization has notified the clients residing in the facility of the temporary nature of their  
33 housing at the inception of their residence;

- 1 4. Short term leasing agreements for thirty days or less published via short-term leasing  
2 platforms;
- 3 5. Religious facilities such as churches, synagogues, parsonages, rectories, convents and  
4 parish homes;
- 5 6. Transient facilities such as motels, tourist homes, and bed and breakfast facilities;
- 6 7. School dormitories;
- 7 8. Licensed assisted living facilities and nursing homes;
- 8 9. Rental properties with four or fewer units; and
- 9 10. Any accessory apartment with less than four units.
- 10 11. Individual condominium units up to 4 that may be owned and rented by any one  
11 individual owner.

12 **§ 97-X Rental facilities and rental units eligible for exemption from rent stabilization**  
13 **pursuant to an application for exemption.**

14 A. Grant of Exemption. The Department shall, upon application of the owner, grant an exemption  
15 from the provisions of this chapter to the following rental units and rental facilities:

- 16 2. Rental facilities subject to a regulatory agreement with a governmental agency that  
17 controls the rent levels of not less than one-half of the rental units in the rental facility and  
18 restricts the occupancy of those rental units to low- and moderate-income tenants.
- 19 3. Renovated or reconfigured rental facilities or combined rental units are not eligible for  
20 an exemption from rent stabilization.

21 B. Termination of Exemption.

- 22 1. Exemptions granted pursuant to subsection (A)(1) of this section shall expire after one  
23 year or when the conditions entitling the rental unit to an exemption cease to exist, whichever  
24 shall first occur. The exemptions are renewable annually upon reapplication.
- 25 2. Exemptions granted pursuant to subsection (A)(2) of this section shall expire upon the  
26 termination of the agreement with the governmental agency entitling the rental facility to the  
27 exemption or when the conditions entitling the rental facility to an exemption cease to exist,  
28 whichever shall first occur.
- 29 3. Exemptions granted pursuant to subsection (A)(3) of this section shall expire on the  
30 fifteenth anniversary date of the issuance of the rental facilities initial rental housing license,  
31 regardless of when the application for an exemption was made by the owner.

32 C. Rents upon Termination of Exemption.

1 1. For rental facilities and rental units receiving an exemption pursuant to subsections (A)(1)  
2 and (A)(2) of this section, upon the termination of the exemption, the base rent for the units  
3 and the reference point from which the rent shall be increased in accordance with this chapter  
4 shall be the allowable rent as reported in the annual rent report for each unit at the time the  
5 exemption commenced plus the annual rent stabilization allowance for each year that the unit  
6 was exempt.

7 2. For rental facilities receiving an exemption pursuant to subsection (A)(3) of this section,  
8 upon the termination of the exemption, the base rent for the units and the reference point from  
9 which the rent shall be increased in accordance with this chapter shall be the rent charged for  
10 each unit at the time of the expiration of the exemption. For any units not rented when the  
11 exemption period terminates, the base rent shall be the rent charged when the unit is first rented  
12 to a tenant. If the actual rent paid by a tenant differs from the rent stated in the report or the  
13 lease, then the actual rent shall be the base rent.

14 **§ 97-X Establishment of base rent for certain units.**

15 A. Definitions.

16 “Discontinued rental unit” means a rental unit in a rental facility or previously licensed rental  
17 facility that is not occupied by tenants and for which the Department has approved an application  
18 for discontinuation.

19 “Existing rental unit” means a rental unit or a discontinued rental unit.

20 B. Rents for Discontinued Rental Units.

21 1. Except as provided in subsection (B)(2) of this section, the base rent for discontinued  
22 rental units, and the reference point from which the rent shall be increased in accordance with  
23 this chapter, shall be the banked rent reported in the annual rent report at the time the rental  
24 unit was discontinued plus the annual rent stabilization allowance for each year that the rental  
25 unit was discontinued.

26 2. If a rental unit remains discontinued for an uninterrupted period of five years, the owner  
27 may charge market rent for the unit when it is first newly rented to a tenant. The rent the owner  
28 charges the tenant shall establish the base rent for the unit and the reference point from which  
29 the rent shall be increased in accordance with this chapter.

30 C. Rents Following Renovation, Reconfiguration or Consolidation of Existing Rental Units.

31 1. This subsection applies to renovation, reconfiguration, and consolidation projects  
32 performed in vacant existing rental units.

33 2. If the renovation or reconfiguration of an existing rental unit does not result in a 10% or  
34 greater change in the floor area of the unit, then the banked rent reported for the unit in the  
35 annual rent report at the time the rental unit became vacant plus the annual rent stabilization  
36 allowance for each year that the rental unit remained vacant shall be the maximum rent that  
37 the owner may charge for the unit when it is first rented to a tenant.



1 3. If the floor area of a renovated or reconfigured unit is more than 10% smaller or larger  
2 than the unit it replaces, then the banked rent reported for the unit in the annual rent report at  
3 the time the rental unit became vacant plus the annual rent stabilization allowance for each  
4 year that the rental unit remained vacant, reduced or increased by a percentage equal to the  
5 reduction or increase in the floor area of the unit prior to its renovation or reconfiguration,  
6 shall be the maximum rent that the owner may charge for the unit when it is first rented to a  
7 tenant.

8 4. When two or more rental units are consolidated to create a single rental unit, the base rent  
9 for the new unit, and the maximum rent that the owner may charge when the unit is first rented  
10 to a tenant, shall be the base rent of the largest unit increased by the percentage increase in the  
11 floor area from the largest unit to the resulting unit.

12 5. Application for Rent Adjustments. Before an owner may increase the rent for a unit in  
13 accordance with subsection (C)(3) or (4) of this section, the owner must first obtain approval  
14 from the Department. The owner must submit a completed application form and  
15 documentation demonstrating the appropriate adjustment to the base rents (which may include,  
16 but shall not be limited to, construction plans, photographs and video recordings of the original  
17 and reconfigured units) and may be required to undergo an inspection of the property.

18 D. Rents Following Purchase of an Owner-Occupied Condominium Unit. The new owner of a  
19 previously owner-occupied condominium unit, purchased in a bona fide arm's length transaction,  
20 may charge market rent for the unit. The rent the owner charges his or her initial tenant shall  
21 establish the base rent for the unit and the reference point from which the rent shall be increased  
22 in accordance with this chapter.

23 **§ 97-X Annual rent increases, frequency of rent increases and notification.**

24 A. Annual Rent Stabilization Allowance.

25 1. The City Administrator shall calculate an annual rent stabilization allowance equal to the  
26 MAARI and publish notice of the allowance on the City website no later than October 15th of  
27 each year.

28 2. The annual rent stabilization allowance shall remain in effect for a 12-month period  
29 beginning January 1st of each year and ending on December 31st of the same calendar year.

30 3. Rent increases for rent-stabilized rental units may be increased by an amount not to exceed  
31 the annual rent stabilization allowance in effect at the time of the rent increase.

32 4. Rent increases less than permitted in subsection (A)(3) of this section may be banked in  
33 accordance with Section 97-6.

34 B. Frequency of Rent Increases.

35 1. Occupied Rental Units. Only one rent stabilization increase pursuant to subsection (A)(3)  
36 of this section shall be permitted within a 12-month period.

1 2. Fair Return Rent Increases. An additional rent increase pursuant to a fair return rent  
2 increase petition subsequently approved by the City’s Arbitrator in accordance with Section  
3 97-8 may be taken pursuant to the terms and the conditions of the City’s Arbitrator’s  
4 administrative decision and final order.

5 3. Vacant Rental Units. The rent for vacant rental units may be increased up to the banked  
6 rent and the annual rent stabilization allowance may be applied prior to the leasing of the rental  
7 unit in accordance with Section 97-6.

8 C. Notice of Annual Rent Increases.

9 1. A landlord shall not increase or attempt to increase the rent for any occupied rental unit  
10 without having first given the tenant living therein at least two months’ written notice of the  
11 increase.

12 2. Notice of a rent increase shall be in the form and manner prescribed by Department  
13 regulations.

14 **§ 97-X Banking of authorized annual rent stabilization increases.**

15 A landlord may increase the rent for a vacant rental unit by the actual dollar amount of any annual  
16 rent stabilization allowances that were not charged to the tenant vacating the rental unit. This rent  
17 increase may be in addition to any rent stabilization allowance increase that the landlord may  
18 impose on or after 12 months from the date of the last rent stabilization allowance increase for that  
19 rental unit.

20 **§ 97-X Annual reporting requirements.**

21 A. Reporting Requirements. On or before \_\_\_\_\_ of each year, each landlord shall complete and  
22 submit to the Department a rent report for the 12-month period beginning January 1st and ending  
23 on December 31st of the preceding year, on a form provided by and in the manner prescribed by  
24 Department regulations.

25 B. Penalty for Failure to Comply with Reporting Requirements. Failure to file a complete or  
26 accurate rent report by \_\_\_\_\_ of each year shall constitute a Class A violation of this chapter  
27 unless an extension of time for good cause is granted by the Department prior to the due date.

28 **§ 97-X Rent increases pursuant to a fair return petition.**

29 A. Fair Return Rent Increase. Landlords have a right to petition for a rent increase in order to  
30 obtain a fair return. A fair return rent increase is intended to protect tenants from unwarranted rent  
31 increases, while allowing rent levels that provide landlords with a fair return.

32 B. Standards for Rent Increases Pursuant to a Fair Return Petition.

33 1. Fair Return. Fair return is defined as base year net operating income adjusted by 100%  
34 of the percentage increase in the CPI since the base year.

35 2. Base Year, means the year the unit becomes a regulated unit per requirements of this  
36 Ordinance.

- 1                   a.
- 2           3.   Current Year. The current year shall be the calendar year (January 1<sup>st</sup> to December  
3           31<sup>st</sup>)
- 4           4.   Current Year CPI. The current year CPI shall also be a calendar year (12-month period  
5           from September to September of the previous year).
- 6           5.   Net Operating Income. Net operating income equals gross income minus operating  
7           expenses.
- 8           6In estimating the base year operating expenses, it shall be presumed that each operating  
9           expense increased by the same percentage as the CPI since the base year. However, if data,  
10          rate information, or other sources of cost information indicate that particular operating  
11          expenses increased at a different rate than the percentage increase in the CPI, the estimate  
12          of the percentage increase in that expense shall be based on the best available data on  
13          increases in that type of expense. Information on the rate of increases and/or other relevant  
14          data on trends in increases in particular types of expenses between the base year and the  
15          current year may be introduced by the landlord, affected tenants, the Department, and the  
16          City's Arbitrator.
- 17          7.   Gross Income. Gross income is the annual scheduled rental income for the property  
18          based on the rents and fees (other than fees that are reimbursed to the tenants) the  
19          landlord was permitted to charge at the time of the application.
- 20          8.   Operating Expenses. Operating expenses means all reasonable operating and  
21          maintenance expenses.
- 22               a.   Operating expenses shall include, but not be limited to, the following:
- 23                   i.   Utilities paid by the landlord, unless these costs are passed through to  
24                   the tenants;
- 25                   ii.   Administrative expenses, such as advertising, legal fees, accounting  
26                   fees, etc;
- 27                   iii.   Management fees, whether performed by the landlord or a property  
28                   management firm; it shall be presumed that management fees increased by  
29                   the percentage increase in the CPI between the base year and the current  
30                   year, unless the level of management services either increased or decreased  
31                   during this period. Management fees shall not exceed 6% of gross income  
32                   unless the landlord demonstrates by a preponderance of the evidence that a  
33                   higher percentage is reasonable;
- 34                   iv.   Payroll;

- 1 v. Amortized cost of capital improvements. An interest allowance shall be
- 2 allowed on the cost of amortized capital expenses; the allowance shall be
- 3 equal to the interest the landlord would have incurred had the landlord
- 4 financed the capital improvement with a loan for the amortization period of
- 5 the improvement, making uniform monthly payments, at an interest rate
- 6 equal to the Federal Reserve Board bank prime loan rate as of the date of
- 7 the initial submission of the petition plus 2% per annum;
  
- 8 vi. Maintenance related material and labor costs, including self-labor costs
- 9 computed in accordance with the regulations adopted pursuant to this
- 10 section;
  
- 11 vii. Property taxes;
  
- 12 viii. Licenses, government fees and other assessments; and
  
- 13 ix. Insurance costs.
  
- 14 b. Reasonable operating and maintenance expenses do not include the
- 15 following:
  - 16 i. Expenses for which the landlord has been or will be reimbursed by any
  - 17 security deposit, insurance settlement, judgment for damages, agreed-upon
  - 18 payments or any other method;
  
  - 19 ii. Payments made for mortgage expenses, either principal or interest;
  
  - 20 iii. Judicial and administrative fines and penalties;
  
  - 21 iv. Damages paid to tenants as ordered by City's Arbitrator or the courts;
  
  - 22 v. Depreciation;
  
  - 23 vi. Late fees or service penalties imposed by utility companies, lenders or
  - 24 other entities providing goods or services to the landlord or the rental
  - 25 facility;
  
  - 26 vii. Membership fees in organizations established to influence legislation
  - 27 and regulations;
  
  - 28 viii. Contributions to lobbying efforts;
  
  - 29 ix. Contributions for legal fees in the prosecution of class-action cases;
  
  - 30 x. Political contributions for candidates for office;
  
  - 31 xi. Any expense for which the tenant has lawfully paid directly or
  - 32 indirectly;

1                   xii. Attorney’s fees charged for services connected with counseling or  
2 litigation related to actions brought by the City under City regulations or  
3 this title, as amended. This provision shall apply unless the landlord has  
4 prevailed in such an action brought by the City;

5                   xiii. Additional expenses incurred as a result of unreasonably deferred  
6 maintenance; and

7                   xiv. Any expense incurred in conjunction with the purchase, sale, or  
8 financing of the rental facility, including, but not limited to, loan fees,  
9 payments to real estate agents or brokers, appraisals, legal fees, accounting  
10 fees, etc.

11                   c. When an expense amount for an item during a particular year is determined not  
12 to be a reasonable projection of ongoing or future expenditures for that item, said  
13 expense shall be averaged with other expense levels for other years or amortized or  
14 adjusted by the CPI or may otherwise be adjusted, in order to establish an expense  
15 amount for that item that most reasonably serves the objectives of obtaining a  
16 reasonable comparison of base year and current year expenses.

17 C. Rent Increase Petition Based on Fair Return Standard.

18                   1. Form of Petition. Whenever a landlord proposes a rent increase of more than the  
19 amount permitted by Section 97-X, the landlord shall file a petition with the City’s  
20 Arbitrator on a form provided by the Department. A fee for submitting a Rent Increase  
21 Petition Based on Fair Return Standard will be established and updated annually.

22                   2. Required Submission of Income and Expense Information. The landlord shall be  
23 required to submit income and expense information for the two years prior to the current  
24 year with the petition.

25                   3. Petition Restrictions. Petitions filed pursuant to this section must address an entire  
26 rental facility. The landlord filing a petition must own the rental facility for the entire  
27 current year.

28                   4. Adjustments to Petition—Base Year Net Operating Income.

29                   a. Adjustment of Base Year Net Operating Income by the City’s Arbitrator. It  
30 may be determined that the base year net operating income yielded other than a fair  
31 return, in which case the base year net operating income may be adjusted. In order  
32 to adjust the base year net operating income, the City’s Arbitrator must make at  
33 least one of the following findings:

34                   i. Base year net operating income was abnormally low due to one of the  
35 following factors:

1 (A) The landlord made substantial capital improvements that were  
2 not reflected in the base year rents and the landlord did not obtain a  
3 rent adjustment for these capital improvements;

4 (B) Substantial repairs were made due to exceptional  
5 circumstances; or

6 (C) Other expenses were unreasonably high, notwithstanding  
7 prudent business practice.

8 ii. Base year rents did not reflect market transaction(s), due to one or  
9 more of the following types of circumstances:

10 (A) There was a special relationship between the landlord and  
11 tenant resulting in abnormally low rent charges (such as a family  
12 relationship);

13 (B) The rents had not been increased for the five years preceding  
14 the base year;

15 (C) The tenant lawfully assumed maintenance responsibilities in  
16 exchange for low rent increases or no rent increases; or

17 (D) Other special circumstances that establish that the rent was  
18 not set as the result of an arms-length transaction.

19 b. Establishment of a New Base Year Net Operating Income—Prior Year  
20 Petitions. The net operating income, income, and expenses, determined to be fair  
21 and reasonable pursuant to a prior petition for a fair return rent increase, shall  
22 constitute the base year income, expenses, and net operating income in the new  
23 petition.

24 5. Consideration of Fair Return Petition by the City’s Arbitrator.

25 a. Issuance of a Decision by the City’s Arbitrator. The City’s Arbitrator  
26 shall, in good faith, endeavor to issue its preliminary administrative decision ruling on the  
27 request within 90 days of the review or hearing on the petition. Upon its determination of  
28 the rent increase to be granted to the landlord, the City’s Arbitrator shall issue a decision  
29 in accordance with Section 97-X and furnish a copy of the decision to the landlord.

30 b. Rejection of Petition.

31 i. The City’s Arbitrator shall not consider the landlord’s fair return petition:

32 (A) Until the properly completed petition form, including  
33 required supporting documentation, has been submitted to the  
34 City’s Arbitrator;

1 (B) When the landlord has not properly registered the rental  
2 property with the City and/or when the landlord has outstanding  
3 fees or fines with the Department;

4 (C) When the landlord has not filed required rent reports for each  
5 of the three years prior to the filing date of the petition; provided,  
6 that the City's Arbitrator may, at its discretion, waive the above  
7 requirement for good cause shown; or

8 (D) When the landlord has failed to comply with a final order of the City's  
9 Arbitrator concerning any rental unit owned by the landlord in the City. However,  
10 the failure to comply with an order of the City's Arbitrator shall not constitute a  
11 basis to decline to consider the landlord's request if the order has been appealed to  
12 the Circuit Court and no decision has been rendered on appeal.

13 ii. If the City's Arbitrator declines to consider the landlord's request, it shall  
14 provide a written explanation for its action.

15 6. Ceiling on Fair Return Adjustments.

16 a. Fair Return Rent Increases on Occupied Rental Units. Fair return rent increases  
17 shall not exceed 15% in any 12-month period. If the City's Arbitrator awards a fair  
18 return rent increase greater than 15%, then the landlord may impose the remainder  
19 of the increase in subsequent years in increments not to exceed 15%.

20 7. Notification Requirements.

21 a. Notice of Petition for a Rent Increase. The Department shall provide written  
22 notification to each tenant affected by a proposed rent increase within one week  
23 after the filing date of the petition. Such notification shall include a copy of the  
24 petition form and a listing of all requested rent increases.

25 b. Notice of a Rent Increase Granted Pursuant to a Rent Increase Petition. The  
26 landlord shall provide written notice to each affected tenant of the rent increase that  
27 has been authorized by the City's Arbitrator, no less than two months prior to the  
28 date the proposed increase is to take effect. Said increase shall be contingent on the  
29 decision of the City's Arbitrator becoming final.

30 8. Rollbacks—Bad Faith Fair Return Petitions.

31 a. Authority to Require Rollback. If, upon consideration of a fair return petition,  
32 the City's Arbitrator finds that the adjusted base year net operating income included  
33 in the petition is less than the landlord's actual petition year net operating income  
34 and the fair return petition was filed in bad faith, the City's Arbitrator may require  
35 the landlord to roll back the rents charged on the rental units covered by the petition  
36 to result in a net operating income equal to the adjusted base year net operating  
37 income.

1 b. Purpose of Rollbacks. The purpose of the rollback provision in this  
2 subsection is to ensure that fair return petitions are filed in good faith, that the  
3 landlord reviews the records of the rental property for which rent increases are  
4 sought to ensure that a rent increase is justified under this section and to balance  
5 both the tenant and the landlord interests in each petition to increase rents above  
6 the rent stabilization allowance.

7 c. Definition of Bad Faith.

8 i. Bad faith can be found, but is not limited to, instances in which the  
9 landlord:

10 (A) Listed expenses for repairs or services never performed;

11 (B) Materially misrepresented expenses claimed;

12 (C) Knowingly filed a false rent report, in whole or in part; or

13 (D) Acted in some manner which is a clear abuse of the petition  
14 process.

15 ii. The following shall not constitute bad faith under this provision:

16 (A) Miscalculations and simple mathematical errors; or

17 (B) Claims for expenses or other items that are not specifically  
18 addressed in this section and that the City's Arbitrator disallowed, but that  
19 could plausibly have fallen within this section.

20 d. Determination of Bad Faith by City's Arbitrator. The City's Arbitrator shall  
21 verify the information upon which it makes its findings of bad faith and shall issue  
22 a decision clearly stating the basis for its finding. The landlord shall be required to  
23 notify all tenants affected by the rent rollback, and, if the landlord was permitted to  
24 increase rents by the rent stabilization allowance pending a decision on the fair  
25 return petition, all rent increases so collected shall be refunded to the affected  
26 tenants within 30 days. If the landlord fails to roll back the rents or fails to refund  
27 the rent increases collected, the affected tenants may begin paying the rolled-back  
28 rent or may deduct any rent refunds or rollbacks owed the tenants in accordance  
29 with subsection (C)(8)(a) of this section.

30 9. Scope of Authority.

31 City's Arbitrator Authority in Setting Rents. Notwithstanding any other provision of  
32 this chapter or regulations instituted pursuant to this chapter, the Arbitrator shall be  
33 authorized to take into account any factors that it is required to consider by law and grant  
34 whatever rent increase is constitutionally required to yield a fair return.





1 b. Fees for optional services and amenities shall not be assessed to tenants who have  
2 refused said services and amenities or provided the landlord with written notice of their  
3 intent to discontinue such service or amenity.

4 c. Tenants may terminate access to accepted services or amenities by giving a one-month  
5 written notice to the landlord.

6 d. Landlords may terminate a tenant's access to optional services or amenities by giving  
7 a one-month written notice to the tenant prior to the termination date.

8 **7. Fees shall be assessed on a uniform basis throughout a rental facility and shall not**  
9 **exceed maximum fees established by administrative regulations.**

10 8. Fees shall be disclosed by the landlord prior to the commencement of the tenant's tenancy.  
11 Landlords may increase fees by giving two months' written notice to the tenant prior to the  
12 expiration of the tenant's lease term, or, for month-to-month tenants, by giving two months'  
13 written notice.

14 B. Permitted Fees.

15 1. No fees may be charged unless authorized by this section or administrative regulation.

16 2. Leasing Fees. Leasing fees shall include, but not be limited to application fees, key fees,  
17 document preparation fees, brokerage fees, and credit check fees.

18 3. **Late Fees. Late fees shall not be charged if the rent is received within 10 calendar**  
19 **days of the rent due date. A late fee shall not exceed 5% of the amount of rent due for**  
20 **the rental period.**

21 4. If new legislation at the Federal, State, County, or Municipal level mandates the  
22 rehabilitation of a rent-stabilized multi-family property to meet new legislative  
23 requirements, then the landlord may elect to recoup these expenses by increasing rent  
24 payments above the MAARI. The increase in rent shall be distributed equitably among  
25 households and be equal to the actual cost of the rehabilitation expenses, amortized over  
26 the expected life of the improvement. Legislative Mandate Surcharge rent increases must  
27 be presented to and approved by the City of Hyattsville prior to implementation. A  
28 minimum ninety-day advance notice must be provided to tenants prior to increasing rent  
29 via a Legislative Mandate Surcharge increase and can only go into effect once the  
30 mandated improvement has been completed and only after a lease has expired.

31  
32 5. Short-Term Lease Fees. A short-term lease fee may be assessed to a tenant who has  
33 requested an initial lease of less than 12 months.

- 1 a. A short-term lease fee shall not be assessed to a tenant when the landlord has offered  
2 the tenant an initial lease term of less than 12 months.
- 3 b. Short-term lease fees shall not be assessed beyond the initial term of the lease.
- 4 c. Landlords shall not charge a fee for month-to-month tenancies.

5 **§ 97-XX Utilities—Charges to tenant and transfer of utility payments.**

6 A. Charges to Tenants for Basic Utilities and Services. The cost of basic electricity, gas and  
7 water utilities and trash collection services for a rental facility that is not separately metered or  
8 sub-metered or billed by the utility or service provider may not be assessed to a tenant except as  
9 provided herein.

- 10 1. The cost of a basic utility or service may be assessed to a tenant if the utility or service  
11 was assessed to prior tenants and charged in addition to the monthly rent for the rental unit.
- 12 2. The cost assessed to a tenant shall be for the actual cost of the utility or service. At the  
13 request of the tenant, the landlord shall provide the tenant with copies of the applicable bills,  
14 invoices or other documentation from the utility or service provider and an explanation of how  
15 the fee to the tenant was computed.

16 B. Transfer of Utility Payments to Tenant.

- 17 1. Definitions. “Utility transfer” means the reallocation of financial responsibility for the  
18 payment of utility costs from a landlord to the current tenants and, for units subject to rent  
19 stabilization, future tenants of a rental facility for which the landlord previously was  
20 responsible for the payment of utilities.
- 21 2. Utility transfers are prohibited except as permitted by this section.
- 22 3. Utility transfers are permitted only for rental facilities in which all of the rental units are  
23 separately metered or sub-metered to measure the actual utility consumption in each unit.
- 24 4. Landlords must reduce the rent for a rental unit to offset the cost of utilities allocated to  
25 the current tenants and, for units subject to rent stabilization, future tenants, as a result of a  
26 utility transfer for:

27 a. All rental units subject to rent stabilization, regardless of whether they are occupied  
28 at the time of the utility transfer; and

29 b. All rental units that are occupied at the time of the utility transfer.

30 5. Rent Reductions to Offset the Cost of Utilities.

31 a. If prior to the utility transfer, the rental units in the rental facility were individually  
32 metered, the monthly rent reduction in rent for each unit shall be calculated by multiplying  
33 the actual average monthly utility consumption of the unit for the previous 24 months by  
34 the actual utility rate at the time of conversion.

1 b. If, prior to the transfer, the rental units in the rental facility were not individually  
2 metered, the reduction in monthly rent per unit shall equal the average utility consumption  
3 of the rental facility for the previous 24 months, less common area utility expenses,  
4 divided by the number of rental units.

5 c. If a landlord determines that the allocation of rent reductions between rental units in  
6 accordance with subsection (B)(5)(b) of this section would be unreasonable, the rent  
7 reductions may be allocated based upon the size of each unit, the number of bedrooms in  
8 each unit, and other relevant characteristics of the unit; provided, however, that the total  
9 rent reduction must equal the total rent reduction required under subsection (B)(5)(b) of  
10 this section.

11 d. The landlord must submit the proposed rent reduction allocation, a written explanation  
12 of the proposed allocation, and supporting documentation to the Department, and the  
13 Department must approve the proposed rent reduction and allocation prior to the utility  
14 transfer.

15 6. Notice Requirements.

16 a. Written notice of the landlord's intent to transfer responsibility for utility payments to  
17 an existing tenant shall be provided to the tenant at least three months prior to the effective  
18 date of the transfer. Written notice may be delivered to the tenant by any reasonable  
19 means, including mailing by U.S. Postal Service, email, or personal delivery. The landlord  
20 shall certify in writing to the City, the date and to whom the notice was mailed or  
21 delivered, and the names and apartment numbers of each tenant who was given the notice.

22 b. The notice of the utility transfer must notify the tenant of the corresponding rent  
23 reduction for their unit.

24 c. Leases negotiated during the three-month notice period in subsection (B)(6)(a) of this  
25 section shall include a written disclosure of the landlord's intent to transfer responsibility  
26 for utility payments to the tenant during the term of the lease, the earliest possible effective  
27 date of the transfer, and the rent reduction to which the tenant will be entitled to offset the  
28 cost of utilities. Failure to make this disclosure shall be grounds for termination of the  
29 lease by the tenant without further liability for rent or utilities after providing written  
30 notice to the landlord and vacating the property.

31 d. At least 14 calendar days prior to the effective date of the transfer, the landlord shall  
32 notify the tenant of the effective date of the transfer and provide the tenant with necessary  
33 information to establish an individual utility account.

34 7. The date of transfer of financial responsibility for utilities shall be at the beginning of a  
35 rent payment period, unless otherwise agreed upon by the landlord and the tenant.

36 8. This section shall not be construed to provide a remedy for temporary interruption of  
37 service or equipment otherwise maintained by the landlord.

1 9. The rent reduction resulting from a utility transfer shall be permanent and shall apply to  
2 subsequent tenants and shall reduce the banked rent for rent-stabilized units.

3

4 **ARTICLE IV – VIOLATIONS, PENALTIES, AND ENFORCEMENT.**

5 **§ 97-X Violations and penalties.**

6 A. Any violation of this Chapter shall be a municipal infraction, subject to fine, except as  
7 otherwise specifically provided.

8 B. Operating or permitting the operation or occupancy of a rental facility without having applied  
9 for and obtained a rental housing license or after a license has expired or been suspended, revoked  
10 or denied shall be a municipal infraction violation subject to a fine.

11 C. The following shall be municipal infraction violations subject to fines:

12 1. Failure to obey an order of the City’s Arbitrator;

13 2. Failure to file a rent report or submission of a false, incomplete or inaccurate rent  
14 report;

15 3. **Charging or attempting to charge an illegal rent or fee;**

16 4. Submitting false information or making false statements to the City’s Arbitrator; and

17 D. The following shall municipal infraction violations subject to a fine of up to 3 month’s rent:

18 1. Any violation of Section 97-X, Utilities – Charges to tenant and transfer of utility payments;”  
19

20 E. The failure of any occupant of an unsafe building to comply with any posted warning  
21 placard or notice or order to vacate shall be a misdemeanor violation.

22 F. Except as provided in subsection (F) of this section, each day a violation continues shall be  
23 considered a separate violation.

24 G. Each month that a landlord charges an illegal rent or fee for an individual rental unit shall  
25 constitute a separate violation. For example, the charging of an illegal rent or fee for four rental  
26 units for three months constitutes 12 violations.

27 **§ 97-X Enforcement.**

28 A. The City may take any appropriate action to enforce or correct violations of this title,  
29 including, but not limited to, revocation of the landlord’s rental license.

30 B. In addition to any other penalties and remedies provided for in this title or by applicable law,  
31 the City may apply to a court of competent jurisdiction for abatement orders, restraining orders,  
32 temporary or permanent injunctions, or any other appropriate form of remedy or relief to correct,  
33 restrain, or enjoin violations of this title. The City may also seek to recover its attorney’s fees.

1 C. The City may bring a suit to collect all costs, assessments, liens or charges imposed or incurred  
2 by the City in taking any action authorized by this title.

3 D. In the event that a landlord brings an action against a tenant that is contrary to a City’s  
4 Arbitrator order, the court shall dismiss the action against the tenant and may award the tenant  
5 attorney’s fees and costs incurred in defending against the landlord’s action.

6 **AND BE IT FURTHER ORDAINED** that if any provision of this Ordinance or the  
7 application thereof to any person or circumstance is held invalid for any reason, such invalidity  
8 shall not affect the other provisions or any other applications of the Ordinance which can be given  
9 effect without the invalid provision or applications, and to this end, all the provisions of this  
10 Ordinance are hereby declared to be severable;

11  
12 **AND BE IT FURTHER ORDAINED** that this Ordinance shall take effect on \_\_\_\_\_,  
13 2024;

14  
15 **AND BE IT FURTHER ORDAINED** that a fair summary of this ordinance shall  
16 forthwith be published twice in a newspaper having general circulation in the City and otherwise  
17 be made available to the public.

18  
19 **INTRODUCED** by the City Council of the City of Hyattsville, Maryland, at a regular  
20 public meeting on \_\_\_\_\_, 2024.

21  
22 **ADOPTED** by the City Council of the City of Hyattsville, Maryland, at a regular public  
23 meeting on \_\_\_\_\_, 2024.

24  
25  
26 Adopted: \_\_\_\_\_.

27  
28  
29  
30 Attest: \_\_\_\_\_  
31 Nate Groenedyk, City Clerk Robert S. Croslin, Mayor

32  
33  
34  
35 [ ] indicate deletions  
36 Underline/CAPS/**BOLD** indicate additions  
37 Asterisks \* \* \* Indicate matter retained in existing law but omitted herein.