

Regular Meeting

Agenda Item #	2
Meeting Date	February 24, 2016
Prepared By	Sara Anne Daines HCD Director
Approved By	Suzanne R. Ludlow City Manager

Discussion Item	Second Reading of Ordinance Amending City Code Chapter 16.6.090 Fees
Background	<p>This is the second reading of an ordinance amending the Landlord Tenant Relations Code, providing for minor modifications of the language regarding the assessment of fees to tenants for various services and amenities.</p> <p>The amendment prohibits the assessment of fees for services and amenities previously provided to current or prior tenants at no cost, clarifies when a fee may be assessed to a tenant for a discretionary service or amenity, prohibits the assessment of extermination fees, and consolidates specific fees such as pet fees and replacement key fees into the Administrative Regulations.</p> <p>If approved, the proposed amendment would become effective upon adoption.</p>
Policy	To provide diverse and affordable housing options for community residents.
Fiscal Impact	N/A
Attachments	Ordinance amending the Takoma Park Code, Title 6, Housing, to prevent landlords from charging abusive fees
Recommendation	To approve the second reading of the proposed amendment.
Special Consideration	

1 Introduced by: Councilmember Male

First Reading: Feb. 10, 2016

Second Reading:

Effective Date:

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5 **CITY OF TAKOMA PARK, MARYLAND**

6 **ORDINANCE 2016-5**

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8 **AMENDING THE *TAKOMA PARK CODE*, TITLE 6, HOUSING, TO PREVENT**
9 **LANDLORDS FROM CHARGING ABUSIVE FEES**

10 WHEREAS, the City of Takoma Park regulates residential rents to ensure an
11 economically diverse community; and

12 WHEREAS, the City allows landlords to charge fees to tenants to allow landlords to
13 recover their actual costs and encourage landlords to provided beneficial amenities to
14 tenants; and

15 WHEREAS, some landlords have abused the fee system to circumvent rent stabilization.

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17 **NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF**
18 **TAKOMA PARK, MARYLAND:**

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20 **SECTION 1.** Title 6, Housing, of the *Takoma Park Code* is amended as follows:

21 **Chapter 6.16**

22 **Landlord-Tenant Relations**

23 **6.16.090 Fees—General provision, permitted fees, optional fees, prohibited fees.**

24 A. General Provisions—Restrictions and Disclosure Requirements.

25 | 1. The provisions of this section apply to all fees assessed to a tenant ~~in addition~~
26 | ~~to the monthly rental charge.~~

27 | 2. Lawful fees shall not be considered a part of the monthly rental charge for the
28 | rental unit.

29 | 3. Fees shall not be charged for services and amenities previously included in
30 | the rent for the rental unit or provided to current or prior tenants at no cost.

31 | 4. Fees shall not be charged for improvements to the rental unit or rental facility
32 | or for additional operating expenses incurred by the landlord.

33 | 5. Extermination Fees.

34 | a. Multifamily facilities. Fees for routine and emergency extermination
35 | services are prohibited at all units in multifamily buildings.

36 | [b. Single family facilities. Landlords may only charge tenants of single-](#)
37 | [family rental facilities for extermination services for infestations caused](#)
38 | [by the tenant. The charge must not exceed the actual cost of the](#)
39 | [extermination services incurred by the landlord.](#)

40 | [6.](#) Fees may be assessed to the tenant for optional services and amenities such as
41 | furnishings, garage parking, off-street parking, Internet access, storage, and pets.
42 | Tenants shall have the right to refuse optional [services and](#) amenities ~~and services~~.

43 | a. Prior to the provision of any optional service or amenity by the
44 | landlord and the assessment of any fee to the tenant, the tenant must
45 | provide written confirmation that they understand that they have the right
46 | to decline the optional service or amenity and that they voluntarily accept
47 | the optional service or amenity.

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

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

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

57 | [76.](#) Fees shall be assessed on a uniform basis [throughout a rental facility](#) and
58 | shall not exceed maximum fees established by administrative regulations.

59 | [87.](#) Fees shall be disclosed by the landlord prior to the commencement of the
60 | tenant's tenancy. Landlords may increase fees by giving two months' written
61 | notice to the tenant prior to the expiration of the tenant's lease term, or, for
62 | month-to-month tenants, by giving two months' written notice.

63 | B. Permitted ~~Fees—Leasing Fees, Late Fees and Short Term Lease~~ Fees.

64 | 1. [No fees may be charged unless authorized by this section or administrative](#)
65 | [regulation.](#)

66 | [2.](#) Leasing Fees. Leasing fees shall include, but not be limited to: application
67 | fees, key fees, document preparation fees, [brokerage fees,](#) and credit check fees.

68 | [32.](#) Late Fees. Late fees shall not be charged if the rent is received within 10
69 | calendar days of the rent due date. A late fee shall not exceed 5% of the amount of
70 | rent due for the rental period.

71 | 43. Short-Term Lease Fees. A short-term lease fee may be assessed to a tenant
72 | who has requested an initial lease of less than 12 months in accordance with the
73 | provisions set forth in Section 6.16.070(A), Initial Leases.

74 | a. A short-term lease fee shall not be assessed to a tenant when the
75 | landlord has offered the tenant an initial lease term of less than 12 months.

76 | b. Short-term lease fees shall not be assessed beyond the initial term of
77 | the lease.

78 | c. Landlords shall not charge a fee for month-to-month tenancies.

79 | ~~C. Optional Fees—Pet Fees, Air Conditioning Fees.~~

80 | ~~1. Pet Fees. A pet fee may be assessed to the tenant upon the initial occupancy~~
81 | ~~of the rental unit or in the event a pet is obtained following the commencement of~~
82 | ~~the tenancy, when the pet begins to reside in the unit. Nothing in this section shall~~
83 | ~~be construed as requiring landlords to allow pets.~~

84 | ~~2. Air Conditioning Fees.~~

85 | ~~a. The landlord may assess a fee for the rental of an individual window~~
86 | ~~air conditioning unit or units, for the installation or removal of the air~~
87 | ~~conditioning units, and for additional utility consumption. The tenant shall~~
88 | ~~have the option of providing an air conditioning unit upon written~~
89 | ~~approval of the landlord. Such approval shall not be withheld if the tenant~~
90 | ~~provided unit is equivalent in size, configuration and energy efficiency~~
91 | ~~standards to the unit offered for rent by the landlord.~~

92 | ~~b. Fees for additional utility consumption and use of landlord provided~~
93 | ~~air conditioning units shall only be assessed during the months of May~~
94 | ~~through September.~~

95 | ~~D. Prohibited Fees—Extermination Services. Fees for routine and emergency~~
96 | ~~extermination services are prohibited at all multifamily rental facilities.~~

97 | **SECTION 2.** This Ordinance will be effective immediately.

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99 | ADOPTED BY THE COUNCIL OF THE CITY OF TAKOMA PARK, MARYLAND,

100 | THIS _____ DAY OF _____ 2016, BY ROLL-CALL VOTE AS

101 | FOLLOWS:

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109 | ABSTAIN: