

RENTERS' RIGHTS AND STABILIZATION ACT (HB 693) FREQUENTLY ASKED QUESTIONS

General

Q: When does the Renters' Rights and Stabilization Act (RRSA) go into effect?

A: The provisions of the RRSA that directly affect renters and landlords go into effect on October 1, 2024. Some provisions involving collection of data on eviction filings in District Court go into effect on October 1, 2025.

Q: What does the RRSA do?

A: The Renters' Rights and Stabilization Act creates a number of additional protections and rights for residential tenants in Maryland, including:

- Increasing Maryland's lowest-in-the-nation eviction filing fees to bring them closer to the regional average;
- Prohibiting landlords from passing eviction filing fees on to tenants, in most cases;
- Capping the maximum allowable security deposit at one month's rent for most Maryland renters;
- Creating the Office of Tenant and Landlord Affairs within the Maryland Department of Housing and Community Development;
- Requiring the new Office of Tenant and Landlord Affairs to publish annually a Maryland Tenants' Bill of Rights, summarizing existing rights and protections enjoyed by residential tenants, to be included as an addendum to every residential lease in Maryland;
- Establishing a tenant right to purchase/right of first refusal for 1-, 2- and 3-unit residential rental properties;
- Lengthening the amount of time that must pass between a judgment in favor of a landlord in an eviction case and execution of the eviction; and
- Prohibiting execution of evictions during extreme weather conditions.

The RRSA also expands the types of data collected by the Maryland Judiciary regarding evictions and requires publication of the data on an eviction's dashboard. More detailed information about each of the changes listed here can be found below.

Q: Where can I find more information about the RRSA?

A: Information about the RRSA will be available at dhcd.maryland.gov/landlord-tenant-rights.

Q: What topics are addressed by these FAQs?

A: These FAQs address new provisions and other changes to the law put into place by the Renters' Rights and Stabilization Act of 2024. They will be updated periodically. If you have any questions not addressed in these FAQs, please submit them via the [question form](#).

Office of Tenant and Landlord Affairs

Q: What does the Office of Tenant and Landlord Affairs do?

A: The main function of the Office of Tenant and Landlord Affairs is to serve as a primary contact for Maryland tenants who are having problems with their landlords, seek access to resources summarizing their rights and protections under existing law, or need credit or financial counseling. The Office also:

- Publishes annually the Maryland Tenants' Bill of Rights, summarizing tenant rights and protections under existing law; and
- Administers and collects data on the tenant exclusive negotiation period/tenant right of first refusal as established by the RRSA.

Q: When should I contact the Office of Tenant and Landlord Affairs?

A: As a tenant, you should contact the Office of Tenant and Landlord Affairs if:

- You believe you have been discriminated against by a landlord or property manager because of your race, ethnicity, gender, religion, sexual orientation or other protected characteristic;
- You believe your landlord or property manager is breaking the law;
- You are having a problem or dispute with your landlord or property manager you have been unable to resolve directly;
- You are looking for information about credit or financial counseling in connection with purchasing your home under the tenant's right of first refusal; or
- You are looking for information about your rights and protections as a Maryland renter.

Q: How can I contact the Office of Tenant and Landlord Affairs?

A: DHCD is in the process of standing up the Office of Tenant and Landlord Affairs. Contact information for the Office will be available this fall.

Q: Can the Office of Tenant and Landlord Affairs give me legal advice or provide me with legal representation?

A: While the Office of Tenant and Landlord Affairs is able to answer questions related to existing laws, rules, and processes (for example, explaining language found in an eviction notice), OTLA is not able to weigh in on a particular case, give legal advice, or recommend specific courses of action. The Office does not provide legal representation, but can make referrals to [legal service providers](#).

Q: Can the Office of Tenant and Landlord Affairs take a landlord's rental license away or punish a landlord for breaking the law?

A: There is no state licensing requirement to offer residential property for rental, and the Office of Tenant and Landlord Affairs does not have authority to force a landlord to stop operating. If a landlord is violating the law, the Office can refer cases to local authorities or the Office of the Maryland Attorney General.

Q: Does the Office of Tenant and Landlord Affairs provide any services to landlords?

A: The Office of Tenant and Landlord Affairs provides a portal for landlords to fill out and download forms needed for Tenant Exclusive Negotiation Period and Right of First Refusal notice requirements, and to submit information about whether tenants choose to exercise their right to purchase.

Tenants' Bill of Rights

Q: What new rights or protections do tenants have under the Tenants' Bill of Rights?

A: The Tenants' Bill of Rights does not create any new rights or protections for tenants. It summarizes existing rights and protections (including those implemented under the Renters' Rights and Stabilization Act of 2024) under state and federal law.

Q: How do I get a copy of the Tenants' Bill of Rights?

A: Effective October 1, 2024 (or, when the Tenants' Bill of Rights is first published by the Office of Tenant and Landlord Affairs), landlords are required to attach a copy of the most current version of the Tenants' Bill of Rights as an addendum to any residential lease. The latest version of the Tenants' Bill of Rights will also be available on the Office of Tenant and Landlord Affairs' website.

Q: When will the Tenants' Bill of Rights be published?

A: DHCD is in the process of standing up the Office of Tenant and Landlord Affairs. The Office will be operational as of October 1, 2024, and will publish the Tenants' Bill of Rights, after receiving input from stakeholders, by January 1, 2025.

Q: How often is the Tenants' Bill of Rights updated?

A: The Tenants' Bill of Rights is required to be updated and published by June 1 of each year.

Tenant Exclusive Negotiation Period/Right of First Refusal

Q: What is the exclusive negotiation period and right of first refusal?

A: Under the Renters' Rights and Stabilization Act, tenants of certain residential rental properties have the right to make an offer to purchase the property from the owner before the owner may sell the property to a third party.

Exclusive negotiation period: If an owner of non-exempt property intends to offer the property for sale to a third party, the owner is required to notify tenants and give them an opportunity to make a good-faith offer to purchase the property before it may be listed or otherwise offered for sale to a third party. The owner may not offer or sell the property to a third party until the tenants' "exclusive negotiation period" is terminated, either through the tenant or tenants declining to make an offer to purchase, or the tenant(s) and landlord being unable to agree on terms of sale, within 30 days of the owner notifying the tenant(s) of the impending sale.

Right of first refusal: If an owner of non-exempt property either receives an unsolicited offer to purchase the property or intends to accept an offer from a third party to purchase the property for at least 10% less than the lowest price previously offered to a tenant, the tenant or tenants have the opportunity to "match" the third-party offer before the landlord may sell the property to a third party. If a tenant or tenants agree to match the purchase price in the third-party offer, the owner must sell the property to the tenant(s). If no tenant agrees to match the third-party offer within 30 days, the right of first refusal is terminated and the owner may sell to the third party for the offered price.

Q: Who does the exclusive negotiation period and right of first refusal apply to?

A: In general, tenants are entitled to an exclusive negotiation period and/or right of first refusal if they have been living in a 1-, 2- or 3-unit residential rental property for at least six months and are named on the lease.

Q: What transfers are exempt from the exclusive negotiation period/right of first refusal requirements?

A: The list of real estate transfers exempt from the requirements of this provision (meaning tenants have no exclusive negotiation period or right of first refusal) includes:

- Transfers to close family members of the owner (including a spouse, former spouse, domestic partner, child, parent, sibling, grandparent or grandchild);
- A transfer to a business entity wholly owned by the owner;
- Court-ordered transfers, such as tax sale, foreclosure sale, sale by a court-appointed trustee, or by court-approved settlement;
- A transfer through will or probate, including a transfer by a fiduciary in the course of estate administration, guardianship, conservatorship or trust;
- A transfer of title into a revocable trust, without consideration, if the owner is the beneficiary of the trust;
- A transfer of title to state or local government or a public housing authority;
- A transfer of title in lieu of foreclosure (such as a short sale);
- A transfer of title through order of a bankruptcy court or sale by a bankruptcy trustee or debtor in possession;
- A gift transfer to a tax-exempt nonprofit organization; or
- Any transfer of a residential rental property with four or more dwelling units.

Q: How long is the exclusive negotiation period?

A: A tenant has 30 days after delivery of the notice from the landlord to make an offer to purchase the property. If the tenant makes an offer that matches the material terms proposed by the landlord in the notice, the landlord is required to accept the offer. If the tenant's terms do not match those proposed by the landlord, the landlord has 5 days to make a counteroffer, and the tenant then has 5 days after receiving the counteroffer to either accept or reject it.

Q: What happens if a tenant declines to make an offer to purchase the home?

A: If a tenant either affirmatively declines to make an offer to purchase the home or does not respond to the notice of exclusive negotiation period or right of first refusal within 30 days, the tenant's exclusive negotiation period and right of first refusal are terminated. If all tenants decline to make offers or fail to respond to the notice(s), the landlord may sell to a third party.

Q: What happens if a tenant makes an offer to purchase the home but declines the landlord's counteroffer?

A: If a tenant declines or does not respond to the landlord's counteroffer, the exclusive negotiation period and right of first refusal are terminated and the landlord may offer and/or sell the property to a third party.

Q: What happens if more than one tenant of a rental property makes an offer to purchase it?

A: If multiple tenants make offers to purchase the property, the owner may select the more favorable offer, without liability to any other tenant.

Q: Can multiple tenants jointly purchase a property under this provision?

A: Yes, qualified tenants of a non-exempt property may jointly deliver an offer to purchase and jointly contract to purchase the property.

Q: Are landlords required to sell their property to tenants for below market rate?

A: No. The RRSA only requires that a landlord sell their property to a tenant if the tenant can match the owner's reasonable asking price or a fair market offer for the property. The owner is not required to accept a tenant's offer to purchase for below asking price or below the price offered by a third party.

Q: What happens if a landlord violates a tenant's right of first refusal?

A: Landlords are subject to fines of up to \$1,000 per violation of the exclusive negotiation period or right of first refusal provisions.

Q: Can a tenant's right of first refusal be waived or transferred?

A: No. The right of first refusal may only be exercised by tenants of the property who are named on the lease and have resided there for at least 6 months and may not be waived or assigned. Leases may not contain provisions that either waive or place conditions on a tenant's exclusive negotiation period or right of first refusal.

Q: How do these provisions affect local right of first refusal or tenant opportunity to purchase legislation?

A: The provisions of the RRSA pre-empt local laws and ordinances that govern the right of first refusal or opportunity to purchase residential rental property with 1, 2 or 3 dwelling units. It does not pre-empt local legislation governing residential rental properties that are exempt under the RRSA, such as a property with 4 or more dwelling units.

Q: Does DHCD provide financial assistance to tenants wishing to purchase their homes?

A: The [Maryland Mortgage Program](#) can provide eligible home purchasers with down payment assistance as well as low-interest mortgage options.

Evictions

Q: How much does it cost to file an eviction suit in District Court?

A: The total filing fee for a failure-to-pay-rent eviction case is now \$50 (\$60 in Baltimore City), which includes a surcharge of \$43. For other evictions such as breach of lease and tenant holding over cases, the total filing fee is now \$56 (\$66 in Baltimore City), which includes a surcharge of \$28.

Q: What other court fees have increased?

A: The surcharge in other District Court civil cases increases from \$18 to \$28 (making the total filing fee in a small claim \$44 and the total filing fee in a large claim \$56). The surcharge for Circuit Court civil cases increases from \$55 to \$85 (making the total Circuit Court civil case filing fee \$195).

Q: What do the filing fees fund?

A: The District Court surcharge in failure-to-pay-rent eviction cases is divided as follows: 45% to the Statewide Rental Assistance Voucher Program; 45% to the [Maryland Legal Services Corporation Fund](#), and 10% to the Rental Assistance For Community Schools Families Fund. The surcharges in other District Court and Circuit Court civil cases go to the Maryland Legal Services Corporation Fund.

Q: Can a landlord require a tenant to pay the filing fees in an eviction case?

A: Court filing fees in eviction cases may only be “passed through” to the tenant if a judgment of possession is granted to the landlord and the lease includes a provision allowing the landlord to deduct

filing fees from the tenant's security deposit. A lease may not contain any provisions allowing the landlord to collect the filing fees from the tenant in any other way.

Q: When are sheriffs allowed to execute an eviction?

A: In general, courts may issue a warrant of restitution, allowing a sheriff to execute an eviction, any time after the expiration of 7 days after the court has issued judgment in favor of the landlord. Courts must stay a warrant of restitution (meaning sheriffs cannot execute evictions) during extreme weather conditions affecting the property, including below-freezing temperatures, or winter storm or blizzard warnings, hurricane or tropical storm warnings, and excessive heat warnings issued by the National Weather Service.

Security Deposits

Q: What is the maximum-security deposit a landlord can require a tenant to pay?

A: Effective October 1, 2024, a lease may not require a tenant to pay a security deposit greater than the amount of one month's rent. Previously, the maximum-security deposit was the equivalent of two months' rent. Under RRSA, in order to commence the lease and occupy the premises, a tenant may not be required to pay more than the sum of the security deposit (no greater than the amount of one month's rent) and the first month's rent.

Q: Are there any exceptions to the new cap on security deposits?

A: A landlord may require a tenant to pay a security deposit of up to two months' rent only if the tenant is eligible and has qualified for utility assistance through the Maryland Department of Human Services, and the lease requires the tenant to make utility payments directly to the landlord.

Q: Can a landlord require a tenant to pay first and last month's rent in addition to a security deposit at the beginning of a lease?

A: No. Under the RRSA, a tenant may not be required to pay more than the sum of the security deposit and first month's rent in order to commence the lease and occupy the premises. Under Maryland law, the definition of a "security deposit" includes "payment of the last month's rent in advance of the time it is due," meaning a landlord would not be allowed to require an additional security deposit beyond the last month's rent.

Q: Can landlords collect a security deposit of more than one month's rent by collecting the deposit in installments?

A: No. Other than the exception outlined above, a landlord may not require or collect a security deposit of more than one month's rent, regardless of the method or timing of collection.

Data Collection

Q: What new data is DHCD required to collect and make public?

A: DHCD is required to collect and publish data related to the purchase of residential rental properties by tenants under the tenant exclusive negotiation period/right of first refusal provisions of the RRSA. DHCD is also required to publish data received from the Maryland Judiciary related to evictions and not exempt from disclosure under the Public Information Act or other law, including data pertaining to the identity of the landlord, the location of the premises, information about the filing dates and outcome of eviction suits, whether the tenant appeared at trial and/or had legal representation, and the issuance and outcome of warrants of restitution.