

PRINCE GEORGE'S COUNCIL

Budget & Policy Analysis Division

July 12, 2024

FISCAL AND POLICY NOTE

| TO: | Jennifer A. Jenkins, |
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| | Council Administrator |

Colette R. Gresham, Esq. Deputy Council Administrator

- THRU: Josh Hamlin Director of Budget and Policy Analysis
- FROM: Shalene Miller-Whye Legislative Budget and Policy Analyst
- RE: Policy Analysis and Fiscal Impact Statement CB-059-2024 Rental Housing - Disclosure

CB-059-2024 (proposed by: Councilmember Watson)

Assigned to the Planning, Housing, and Economic Development (PHED) Committee

AN ACT concerning Rental Housing - Disclosure for the purpose of requiring certain application disclosures for certain single-family rental facility or multifamily rental facility housing; requiring that certain information be provided including, but not limited, to the name and the physical address of the owner of a corporate body and the name and physical address of their agent and the name and physical address of the owner's mortgage holder; requiring that certain disclosure information shall be made available by the Department to the public in a timely manner, upon request; and generally regarding rental housing disclosure.

Fiscal Summary

Direct Impact:

Expenditures: No additional expenditures likely.

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Revenues: No direct revenue impact likely.

Indirect Impact:

Potentially favorable.

Legislative Summary:

CB-059-2024¹ sponsored by Councilmember Watson, was presented to the Council on July 2, 2024, and referred to the Planning, Housing, and Economic Development Committee. It would amend Subtitle 13, Housing and Property Standards, of the Prince George's County Code to require the Department of Permitting and Inspections to collect information on corporate ownership of rental properties via the rental license application and disclose, upon request, information regarding the name and physical address of the resident agent and corporate body, as well as mortgage holder of single-family and multifamily rental housing.

If enacted, CB-059-2024 would:

- Repeal sections 13-182 and reenact with amendments.
- Require all license applications to include the name and physical address of the owner of a corporate body and the name and physical address of their agent, as well as the name and physical address of the owner's mortgage holder.
- Require this information to be made available by the Department of Permitting, Inspections and Enforcement.

Current Law/Background:

If enacted, CB-059-2024 would repeal sections 13-182 of Subtitle 13 Housing and Property Standards and reenact them with amendments.

Currently, according to 13-182², rental housing license applications include "such information as necessary to administer and enforce the provisions of, and to ensure compliance with the provisions of, this Division and the Housing Code in its entirety. Such information shall include, but shall not be limited to, the name and address of the owner's mortgage holder. There shall be a continuing obligation on the part of the license holder to update the information on the application and/or to supply information not previously submitted. In addition, the legal owner of record of

¹ <u>Prince George's County Council - Reference No. CB-059-2024 (legistar.com)</u>

² Sec. 13-182. - License application; existing or new premises. | Code of Ordinances | Prince George's County, MD | Municode Library

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each such multifamily rental facility newly constructed shall make written application to the Director for a license, as herein provided, prior to any initial occupancy."

According to 13-186, licenses are not transferable, and a new application must be submitted by new owners. DPIE allows "the purchaser of a licensed single-family or multifamily rental facility to conduct/operate the property provided an application for a new license is applied for within 30 days following settlement."

Resource Personnel:

- Kathy Canning, Legislative Attorney
- Jobina Brown, Policy Director and Director of Communications, Council District 4

Discussion/Policy Analysis

Provisions of CB-059-2024

This Bill would require rental housing application information to include:

- the name and physical address of the corporate body's owner,
- the name and physical address of the corporate body's agent,
- the name and physical address of the owner's mortgage holder.

This information would be made available upon request from the public in a timely manner. However, this bill does not outline how requests shall be made or what is to be considered in a timely manner.

Neighboring Jurisdictions

In Montgomery County, Section 29-16 of Article III Licensing of Rental Housing³ requires, "The owner of a dwelling unit must obtain a rental housing license before operating the dwelling unit as rental housing. If the owner is a corporation, the corporation must be qualified to do business in Maryland under state law. Each owner must certify to the Department the name, address, and telephone number of an agent who resides in Maryland and is qualified to accept service of process on behalf of the owner." It is unclear if their rental applications require the owner or mortgage holder to be provided. Still, they do not have any provisions in place that will provide information on the property owner if requested.

³ Article III. Licensing of Rental Housing. (amlegal.com)

In Baltimore County, according to Section 35-6-106 of Title 6 Rental Housing Licenses⁴, they require the following in rental license applications:

In addition to any other information required on an application form, the application form shall require, if applicable:

- (i) The name of the applicant and the address of the principal place of business of the applicant;
- (ii) (A description of the dwelling unit and the address of the dwelling unit by house or unit number;
- (iii) The name and address of the managing operator, resident agent, or trustee;
- (iv) The name and address of an adult individual who is a resident of Maryland and is designated as the applicant's agent for receiving service of process, notices, or any other papers from the county

They do not require this information to be provided publicly if requested; however, they require that any information change be updated no more than 30 days after the change. They also state that "if the applicant is a corporation or a limited liability company, an officer of the corporation or limited liability company shall provide the information required under subsection (c) of this section."

Neighboring jurisdictions do not currently have provisions in place to provide information on property ownership in multi-family and single-family rentals.

Administrative Impact

Currently, apartment license applications require the company name, the representative of the company, the representative managing the property, and the mortgage holder's information, but this is not information that is made available to the public upon request. This information would require it to be made available if requested. There are no provisions on who can request this information or guidelines for usage. However, such disclosure may be required under the Maryland Public Information Act⁵, which provides certain requested government agency information. A disclosure requirement will not run afoul of the act, but it will ensure efficient public access. There should be minimal direct administrative impact due to current apartment license applications requiring this information to be routinely updated and maintained. If any applications do not clearly list the owner of a property, an update may be required to ensure this information is available if requested.

Cost Considerations

Current cost considerations are unknown; however, DPIE already has an application system in place that has the requirements outlined in this Bill, so it is unlikely that this change will result in an additional cost to administer.

⁴ § 35-6-101. - DEFINITIONS. | Code of Ordinances | Baltimore County, MD | Municode Library

⁵ <u>Public Information Act (marylandattorneygeneral.gov)</u>

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Fiscal Impact:

• Direct Impact

Enactment of CB-059-2024 is not likely to have a signific ant direct fiscal impact. Adjustment of the existing application to include the newly required information may require minor additional administrative work. The Office of the County Executive and the Department of Permitting, Inspections and Enforcement will provide additional information to determine these factors.

• Indirect Impact

Enactment of CB-059-2024 is not likely to have a significant indirect fiscal impact. It will provide some additional transparency for residents of single-family and multi-family housing where information about the property owner is unknown. This may help to keep property owners accountable regarding issues of property neglect.

• Appropriated in the Current Fiscal Year Budget

N/A.

Questions for Committee Consideration:

- 1. Are there any concerns related to the administrative impact of this Bill?
- 2. What is the current turn-around time in processing license renewal multi-family applications?
- 3. What is the current turn-around time in processing new licenses for multi-family applications?
- 4. What information is available regarding the number of multi-family properties operating without licenses due to not renewing promptly or due to violations?
- 5. What will be considered a timely manner?
- 6. How will requests be handled by the agency?

Effective Date:

CB-059-2024 shall be effective forty-five (45) calendar days after it becomes law.

If you require additional information or have questions about this fiscal impact statement, please call me.