

ORDINANCE NO. 2599

AN ORDINANCE OF THE CITY OF SALISBURY TO AMEND CHAPTER 15.26 RENTAL OF RESIDENTIAL PREMISES OF THE SALISBURY CITY CODE BY ADDING SUBSECTION 15.26.035 RENT INCREASES BARRED DURING STATES OF EMERGENCY AND AUTHORIZING THE MAYOR TO ISSUE SUCH EXECUTIVE ORDERS AS ARE NECESSARY TO PROTECT TENANTS FROM ABUSE.

WHEREAS, the Mayor and Council of the City of Salisbury desire to update the Salisbury Municipal Code; and

WHEREAS, a State of Emergency was declared by Governor Hogan on March 5, 2020 due to the pandemic known as COVID-19; and

WHEREAS, Governor Hogan has issued multiple executive orders in an attempt to reduce the spread of COVID-19, resulting in the shut-down or slow-down of multiple businesses in the State of Maryland; and

WHEREAS, one effect of the COVID-19 pandemic is record high unemployment rates; and

WHEREAS, it has come to the attention of the City that some landlords have terminated leases, advised tenants to vacate rental premises, and engaged in campaigns to mislead tenants into leaving their homes or agreeing to the payment of higher rental fees; and

WHEREAS, the Salisbury City Council has concluded that it is in the best interest of the City to prevent the dissemination of misleading information and to amend the City Code to freeze increases in rent and rental fees during a State of Emergency to maintain the *status quo*.

NOW, THEREFORE, be it enacted and ordained by the City of Salisbury, that Chapter 15.26 of the City of Salisbury Municipal Code be amended by adding the following subsection to Chapter 15.26:

Chapter 15.26.035 – Rent Increases Barred During States of Emergency.

A. “Emergency” defined.

In this section, “Emergency” means the catastrophic health emergency declared by the Governor of Maryland on March 5, 2020, as amended or extended by the Governor, under State Public Safety Article, §14-3A-02, and such other emergencies as are declared by the Governor or the Mayor pursuant to SC17-4 of the City Charter and sections 2.08.020 and 9.08.220 of the Salisbury Municipal Code.

B. Scope.

This section only applies to rental fee increases on existing tenants during an Emergency. Nothing in this section may be construed as applying to leases for new tenants. Further, nothing in this section with respect to an increase in the tenant’s portion of a rental fee

applies to any public housing authority who must comply with federal laws, regulations, or other federal requirements to determine a tenant's rental fee.

C. In General.

A Landlord may not increase a tenant's rental fee if:

1. The increase would take effect during an Emergency; or
2. Notice of the increase is not in compliance with subsection (D) of this section.

D. Notice of Rent Adjustment.

1. During an Emergency and within 90 days after the expiration of an Emergency, a landlord may not increase or notify a tenant of an increase in rent or a rental fee. Rental fees shall include any fee for service, a product or commodity provided by the landlord or by a third-party to a tenant prior to the declaration of an Emergency.
2. Pre-Emergency rent increase notices.
A landlord must inform a tenant in writing to disregard any notice of a rental fee increase if:
 - i. The landlord provided the notice to the tenant prior to an Emergency; and
 - ii. The effective date of the increase would occur on or after the date the Emergency began.

E. Late fees prohibited.

1. "Late Fee" defined.
 - i. In this subsection, "Late Fee" means any additional charge or fee imposed because a rental fee is not made when the rental fee is due under the terms of a lease.
 - ii. "Late Fee" includes a fee imposed:
 - a. As a flat rate;
 - b. As a percentage of the rental fee due; or
 - c. In any other terms.
2. In general.
A landlord may not charge, assess, or otherwise seek to collect a late fee from a tenant for nonpayment or the late payment of a rental fee that comes due during an Emergency.

F. Payment Plans.

1. Landlords shall offer payment plans to tenants for the payment of rent and rental fees to be in effect for no less than one year after the expiration of the Emergency.
2. Upon request of the tenant, landlords shall work with tenants, on an individual basis, to arrange payment plans for the payment of rent and rental fees in installments which will continue for no less than one year after the expiration of the Emergency.
3. All payment plans shall be in writing and signed by the landlord and tenant.

G. Notice to and Protection of Tenants.

1. The Housing and Community Development Department must post on its website information regarding the requirements of this section, including the date that an Emergency expires and the date that is 90 days after the expiration of the Emergency.
2. During an Emergency, the Mayor is hereby authorized to issue any and all executive orders necessary to protect tenants from being victimized or misled by the actions of unscrupulous landlords. Violations of such executive orders will constitute violations under this chapter and be subject to arrest and misdemeanor charge under 9.08.220 of the Municipal Code of Salisbury.

H. Landlord's right of review.

The provisions of this subsection do not limit a landlord's right, under the applicable provisions of the Salisbury Municipal Code, to an administrative review of a violation notice.

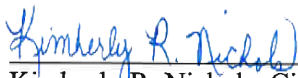
I. Enforcement by tenant.

In addition to enforcement action by city officials, tenants may seek relief from an appropriate court to restrain or enjoin any violation of 15.26.035 of this subsection in accordance with State Law.

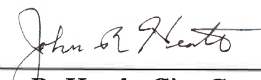
AND BE IT FURTHER ENACTED AND ORDAINED BY THE CITY OF SALISBURY, MARYLAND, that the Ordinance shall take effect upon final passage.

THIS ORDINANCE was introduced and read at a meeting of the Council of the City of Salisbury held on the 22nd day of May, 2020 and thereafter, a statement of the substance of the ordinance having been published as required by law, in the meantime, was finally passed by the Council on the 1st day of June, 2020.

ATTEST:



Kimberly R. Nichols, City Clerk



John R. Heath, City Council President

Approved by me, this 1st day of JUNE, 2020.



Jacob R. Day, Mayor



City of
Salisbury
Jacob R. Day, Mayor

To: City Council

From: Julia Glanz, City Administrator

Subject: COVID-19 Rent Control

Date: May 14, 2020

On March 5, 2020, Governor Larry Hogan declared a state of emergency due to COVID-19. To date, 36.5 million Americans have filed for unemployment which directly impacts the ability of many residents in the City of Salisbury to pay many bills, including rent. Many of the industries hardest hit by COVID-19 include transportation, professional services, retail, health care and education, and arts and entertainment. In Salisbury, those industries make up approximately 69 percent of the work force. It is safe to say our community is being hit hard by the impacts of COVID-19 and we need to act in any and all ways we can.

The ordinance attached will bar rental increases during the State of Emergency, and for 90 days after. Physiological and safety needs are the foundation of Maslow's Hierarchy of needs. If members of our communities are worrying about where they lay their head at night, their physiological needs are in jeopardy. We know there is an imminent mental health crisis. Ultimately, we want to keep families in their homes and stable.

This ordinance will require landlords to notify tenants to disregard a previous notice of rent increase during the stated time frame. Late fees are also prohibited if the tenant makes a nonpayment or late payment. Finally, landlords shall offer payment plans to tenants for the payment of rental fees for no less than one year after the expiration of the Emergency.

*Public Housing Authorities are not impacted by this legislation since they must comply with federal laws and regulations.