



Mayor and Council

Introduction and Adoption – Chapter 18
Code Update, Rental Facilities and
Landlord-Tenant Relations

June 29, 2026



Outline

- Background
- Work Session Follow-ups
- Community Engagement Summary
- Highlights of Proposed Changes
- Notable Changes to Draft Ordinance
- Anticipated Impacts
- Introduction and Suggested Motions



Background

Mayor and Council History

- Housing is one of five focus areas.
- Fall 2024: Three work sessions on the city's housing strategies.
Comprehensively updating Chapter 18 was approved as a strategy by the Mayor and Council.
- June 2025: Work session on data reporting and transparency.
- November 2025: Work session on rental licensing inspections.
- December 2025: Work session on existing code and new policies.
- February 2026: Work session on new policies.



Background

Project Goals

- Provide clarity on existing code elements.
- Consider alignment with surrounding jurisdictions' codes and ensure alignment with state of Maryland law.
- Improve housing stability and opportunities for tenant agency.
- Require greater transparency for tenants.
- Review local and national best practices.
- Better connect data collection and city goals.



Background

Project Timeline



We are here!



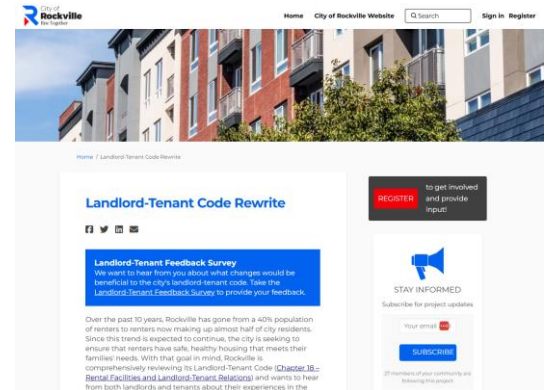
Work Session Follow-ups

- Cooling requirements work session in September
- Pre-eviction financial assistance pilot to launch in July
- Educational materials to be created and shared with landlords and tenants



Community Engagement Strategies

- Hosted two virtual initial input meetings – one with landlords, one with tenants
- Published Engage Rockville webpage with project information, news feed, surveys, comment form, and question portal
- Offered two surveys: one to get initial input and another to get feedback on policy proposals
- Interviewed stakeholder organizations
- Provided regular email updates to Engage Rockville subscribers, rental license holders, property managers, affordable housing operators, and tenant organizations
- Hosted two virtual follow-up input meetings – one with landlords, one with tenants



Engage Rockville Webpage



Fact Sheet on Proposed Code



Highlights of Proposed Changes

- Restrictions on asking about eviction history, charging tenants court costs and legal fees, and using algorithmic rent pricing systems.
- New requirements for landlords to report data, provide two-lease lease options, adhere to lease review and provision timelines, allow non-electronic payment methods, provide relocation assistance, and allow tenant organizations to use meeting rooms free of charge.
- Increased transparency around fees and guarantor requirements.
- More options for early lease termination.
- Creation of a repair and deduct option.
- Changes to how leases and rent increase information are provided to the city.
- Meaningful fines for certain code violations.



Notable Changes to Draft Ordinance

- Added definitions for “written notice,” “tenant organization,” and “non-public competitor data.”
- Clarified sections related to Enhanced Inspections Program baseline, security deposits, inspectors accessing rental units, secure storage fees, and more.
- Amended language to allow landlords to increase rents during a two-year lease, but rent increase must be disclosed prior to entering into the lease.
- Added exceptions for landlords to charge fees for credit card processing and check bounces, introducing utility cost recovery structures or ratio utility billing, and for third-party websites to the disclosure of all mandatory fees whenever a price is advertised or disclosed.
- Increased number of days landlords are prohibited from charging a fee for any charge for which the landlord failed to request from the tenant from 45 days to 120 days.



Anticipated Impacts

Environment

No impact

Equity

Positive impact

- Many benefits to housing stability for tenants.
- Tenants are disproportionately Black or African American.
- Median income of renters is \$100,000 less than homeowners.
- Half of renters are housing cost-burdened.

Economy

Neutral impact

- Additional requirements may have negative impact on landlords' decision to rent and developers' decision to invest in Rockville.
- Compliance costs may put small upward pressure on rents.
- Improved housing stability brings economic benefits.
- Transparency measures may create a more competitive rental marketplace, resulting in slight downward pressure on rents.



Introduction and Suggested Motions

- I introduce the ordinance amending City Code Chapter 18, Rental Facilities and Landlord-Tenant Relations.
- I move to waive the layover period.
- I move to adopt the ordinance amending City Code Chapter 18, Rental Facilities and Landlord-Tenant Relations, with an effective date of January 1, 2027.