



Legislation Details (With Text)

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**Subject**

Rental License Inspections

**Department**

CPDS - Inspection Services

**Recommendation**

Staff recommends that the Mayor and Council review the presentation, discuss the rental license process, and provide feedback to staff.

The following feedback is requested from the Mayor and Council to guide next steps:

1. Do you support staggering the multi-family licenses?
2. Do you support continuing the current enforcement tools?
3. Do you support raising the number of multi-family inspections from 20% to 25%?
4. Do you support implementing an Enhanced Inspection Program?

**Discussion**

**Background**

The Code Enforcement team has 7 full-time community enhancement inspectors, one community enhancement manager, and an administrative assistant. The duties performed by this team include responding to property maintenance complaints, signs in the right-of-way, and inspections of single-family, hotels/motels, and multi-family units. By the end of this calendar year, it is expected that the responsibility for signs in the right-of-way and all other zoning-related tasks will be transitioned back to the newly onboarded Senior Zoning Inspector.

**Chapter 18 - Rental Facilities and Landlord-Tenant Relations**

The requirements related to rental licensing are found in [Chapter 18 -Rental Facilities and Landlord-Tenant Relations.](https://library.municode.com/md/rockville/codes/code_of_ordinances?nodeId=CICO_CH18REFALANARE) [The enforcement of Chapter 18 is a shared responsibility between the Code Enforcement section of the Department of Community Planning and Development Services \(CPDS\), which handles code enforcement and rental licensing, and the Housing Programs Division of the Department of Housing and Community Development \(DHCD\), which handles landlord-tenant affairs.](https://library.municode.com/md/rockville/codes/code_of_ordinances?nodeId=CICO_CH18REFALANARE)

The purpose of this work session is to describe the city’s current rental license inspection process (for both single-family and multi-family) and review the proposed staff changes to the process.

### Current Single-Family Rental License Process

CPDS staff inspects approximately 2,500 single-family rentals in the city. The inspections can and are typically done as follow-up on complaints, through proactive patrolling, and when we receive reasonable suspicion of a possible code violation. The Code requires that an inspection be performed and passed prior to issuance of a rental license, and the license must be renewed biannually. Inspections of the property are typically performed within 30 days of the expiration date, if all application materials are received from the owner/landlord agent. Each rental property has its own expiration date; therefore, renewal inspections are performed on a staggered basis, with half of the units inspected each year.

### Neighboring Jurisdictions

Staff researched the single-family rental licensing programs of neighboring jurisdictions; their processes are summarized below:

Jurisdiction	License Period	Inspection Prior to License Issuance	Inspection Frequency
City of Gaithersburg	Annually	No	Monthly on a Rolling Basis
Montgomery County	Annually	No	Only on a Complaint Driven Basis (excluding program-specific inspections)
Prince George’s County	Bi-Annually	Yes - Temporary License issued	Prior to renewal

### Current Multi-Family Rental License Process

There are approximately 9,135 multi-family rental units in the city. The Code requires an inspection prior to issuance of a rental license, and the license must be renewed annually. All observed/cited deficiencies must be closed/passed prior to issuance of the license. Renewal notices are typically sent to landlords by December each year, as all licenses expire annually on March 31.

Current practice is to inspect 20% of the units on each property. The inspectors perform re-inspection(s) to verify that the cited deficiencies have been corrected. The most common violations found during the rental license inspections are broken/inoperable appliances, inoperable smoke alarms, infestation, wall damage, and

broken locks.

Staff researched the multi-family rental licensing programs of neighboring jurisdictions; their processes are summarized below:

Jurisdiction	License Period	Inspection Prior to License Issuance	Inspection Frequency
City of Gaithersburg	Annually, Staggered	No	Monthly on a Rolling Basis
Montgomery County	Annually	No	Only on a Complaint Driven Basis (excluding program specific inspections)
Prince George’s County	Bi-Annually	Yes	Prior to Renewal

**Proposed Changes to the Multi-Family Rental License Process**

After evaluation of data collected over the previous two renewal cycles, staff has identified three process changes focused on increasing the frequency of inspections and the number of licenses renewed before their expiration dates.

1. **Stagger license renewal dates** - Beginning in January 2026, the Code Enforcement team will begin performing inspections immediately upon receipt of a complete renewal application which includes safety reports, building information for common area amenity spaces, Lead Based Paint Certificate, Radon Compliance and Mold Law Acknowledgement. Instead of all licenses having the same issue date of March 31, the license will now be issued based on the date the inspection passed. This process will help to facilitate a natural stagger of renewal dates.
2. **Increase inspections from 20% to 25% annually** - Beginning in January 2026, the number of units inspected prior to license renewal will be increased from 20% to 25%. At this rate, it is expected that the length of time between inspections of a unit will decrease from every 5 years to every 4 years. This new process will increase the workload of each inspector by approximately 100 inspections per year, excluding single-family rentals, complaint inspections, and proactive patrolling.
3. **Implement a Pilot Enhanced Inspection Program** - Observed violations will be categorized into two categories: Health/Safety and Other. Depending on thresholds specified by the Chief of Inspections Services, the number of units inspected prior to license renewal will increase from 20% to 40%.

**The Proposed Enhanced Inspection Pilot Program**

As mentioned above, staff evaluated data and identified implementation of an enhanced inspection program as a method to inspect an increased number of rental units and identify violations. Staff performed enhanced inspections on four properties during the 2025 license renewal cycle. The pilot program will build upon the 2025 enhanced inspections and will be launched in January 2026. The inspections team will increase the baseline number of units inspected from 20% to 25%. Violations that are observed will be classified into one of two categories: Health/Safety and Other.

The chart below identifies common violations and the assigned category. If, after 25% of the units are inspected, broken smoke detectors or pest infestation are discovered in 25% of those units, an additional 15% of the units will be inspected, totaling 40% of the total units at that community. Similarly, if more than 10% of the inspected units have HVAC deficiencies where the temperature is not being maintained at 68 degrees during the heating season, then an additional 30% will be inspected to reach 40% overall.

The chart below summarizes violations categorized as Health and Safety, with the corresponding trigger for the enhanced inspection.

Chart 1: Health and Safety Violations

Health and Safety		
Violation	% Trigger	Action Taken
Missing, disabled, non-functioning smoke detectors and/or Pest Infestation, broken entrance doors, and/or missing or broken door locks, suspicion of mold	25%	Enhanced Inspection Plan
HVAC system not maintaining a temperature of 68 degrees in the heating months	10%	Enhanced Inspection Plan

The Chief of Inspection Services will establish thresholds that will trigger the need for additional units to be inspected. The team will continuously monitor the outcomes of the pilot program to determine if and how the thresholds need adjustment.

Examples of violations classified in the “Other” category are shown below in Chart 2. A Notice of Violation (NOV) will be issued for these items. While these violations do not trigger an enhanced inspection, abatement is required prior to issuing the rental license.

Chart 2: Other Violations

Other Priorities		
Violation	% Trigger	Action Taken
Faucet leaks and or other non-emergency plumbing/plumbing repairs	IPMC 2021	Notice of Violation
Minor wall and/or tile repairs	IPMC 2021	Notice of Violation
Carpet damage	IPMC 2021	Notice of Violation
Deteriorated refrigerator gaskets	IPMC 2021	Notice of Violation
HVAC system requiring general maintenance	IPMC 2021	Notice of Violation

Any other violations designated on the violation list maintained by Code Enforcement	IPMC 2021	Notice of Violation
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### Enforcement Tools

The primary goal of enforcement is compliance; however, Chapter 18 provides seven (7) tools for the Code Enforcement team to utilize:

1. Inspect at application/renewal
2. Inspect with reasonable suspicion
3. Complaints from resident(s)
4. Deny license
5. Suspend license
6. Revoke license
7. Citation

The most frequently used tools are 1, 2, 3, and 7. As previously described, staff inspects 20% of all multi-family units annually, and 100% of all single-family units are inspected biannually. In addition to the license inspections, an inspection is performed when there is reasonable suspicion that a violation exists. Chapter 18 defines reasonable suspicion as a credible complaint of a violation OR documented evidence. Complaints may be the most critical tool, as a complaint serves as our eyes and ears to alert the team of a possible issue. A complaint must be filed with the landlord, and a reasonable amount of time to abate the violation must be given prior to filing a complaint with Code Enforcement. Complaints can be anonymous; however, some level of identification will be required so that the specific unit can be inspected. The complaint form is located online and can be translated into many languages. The Code Enforcement team responds to complaints within 24-48 hours. The Code Enforcement team does not have the authority to enter units without reasonable suspicion of a violation, which normally comes by way of a complaint, unless it is an inspection required as a part of license issuance.

Per Chapter 18, a rental license may be suspended, revoked, or a renewal may be denied if violations cited by the Code Enforcement team are not abated or good faith efforts to abate are not initiated within 10 days of the violation notice. The determination of good faith efforts is up to the discretion of the inspector. Sometimes, the landlord's attempt to abate a violation is hindered due to the tenant denying access or scheduling conflicts between the landlord and the tenant. Chapter 18 allows for a license to be suspended or revoked for only the portion of the building that is in violation. Once either of these actions is applied to the property, the landlord must provide the impacted tenant with 60 days' notice to relocate.

Chapter 18 also includes provisions for denying the initial license or a renewal if the property has been cited for three or more violations within the past 2 years, unless the violations were remediated within 30 days of the violation notice. Staff is not aware of any recent instances where the city has suspended, revoked, or denied a license because property managers are responsive to the above code response timeframes.

While citations are an available tool, violations are typically corrected within the compliance period established by the inspector. Citations of \$1,000 per violation, per day can be levied upon a property owner in violation. Once a citation is issued, the party in violation has the options to get into compliance, pay the fine,

or request a court hearing. The violations remain at a standstill if a court hearing is requested, and oftentimes it can take months to get a court date, or the judge grants extensions to the defendant.

### **Maryland Tenant Mold Protection Act**

In July 2025, the new Maryland Tenant Mold Protection Act became law without the State providing any resources or guidelines for implementation. There is no clear responsibility in the new law requiring municipalities to enforce it; however, the bill's fiscal and policy note states that it is expected that local governments will enforce these mold requirements. Per the new law, landlords must perform a mold assessment within 15 days of notification of suspicion of mold, and if mold is present, remediate within 45 days or within a reasonable time. While our legal responsibility to enforce is unclear, the Code Enforcement team has begun enforcing it. When a black substance is observed, an NOV is issued, requiring that the landlord obtain a professional to provide air quality testing. The violation will remain open until the landlord provides evidence that the substance has been remediated. To assist with evaluating reports on an as-needed basis, the city will be formalizing a contract with an air quality consultant. The State does not endorse air quality professionals; however, the Maryland Department of the Environment provides a list of professionals on its website. A reference and required acknowledgement of the State mold law will also be added to all rental license applications.

### **Software Conversion**

Currently, applications for Hotels/Motels and Multi-Family licenses (new and renewals) are processed in My Government Online (MGO) Connect. New and renewal applications for single-family rental licenses are processed in Permit Plan, the city's legacy permitting and licensing software. By the end of calendar year 2026, all rental license applications will be transitioned to MGO Connect. The expected result from this transition will be an improved customer portal as well as better reporting and consistency.

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### **Mayor and Council History**

This is the first time the Mayor and Council have had a work session on rental license inspections.

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### **Fiscal Impact**

Staff will evaluate Code Enforcement staffing needs as part of the FY 2027 budget process.

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### **Next Steps**

The direction received from the Mayor and Council will be implemented as staff moves forward with changes to the single-family and multi-family rental license program. Below are the action items for the next steps, with the target completion dates:

1. If necessary, amend pertinent sections of Chapter 18 - Spring 2026
  2. Implement the process changes to stagger multi-family rental license renewals - January 2026
  3. Establish inspection thresholds for violations categorized as Health and Safety or Other - January 2026
  4. Provide an annual report of findings based on the implemented changes - December 2026
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