

Department of Planning and Budget

2022 Fiscal Impact Statement

1. Bill Number: HB596

House of Origin	<input checked="" type="checkbox"/>	Introduced	<input type="checkbox"/>	Substitute	<input type="checkbox"/>	Engrossed
Second House	<input type="checkbox"/>	In Committee	<input type="checkbox"/>	Substitute	<input type="checkbox"/>	Enrolled

2. Patron: Clark

3. Committee: Counties, Cities and Towns

4. Title: Local rent stabilization authority.

- 5. Summary:** Provides that any locality may by ordinance adopt rent stabilization provisions. The bill provides that no such ordinance shall be adopted until the proposed ordinance has been posted on the locality's website and advertised in a newspaper of general circulation in the locality at least two weeks prior to a public hearing on such ordinance. All landlords who are under rent stabilization may be required to give up to a two-month written notice of a rent increase and cannot increase the rent by more than the locality's rent stabilization allowance, the maximum amount a landlord can increase a tenant's rent during any 12-month period, in effect at the time of the increase, and the bill requires the locality to annually publish this allowance on its website. The allowance is equal to the annual increase in the Consumer Price Index for the region in which the locality sits and is effective for a 12-month period beginning July 1.

The bill states that such ordinance shall provide a procedure by which a landlord may apply for an exemption from the rent stabilization provisions in situations where the net operating income generated by the rental facility has not been maintained due to escalating operating expenses or for other appropriate reasons as established by the locality. The locality may establish a civil penalty for failure to comply with the requirements set out in the ordinance that shall not exceed \$2,500 per separate violation.

6. Budget Amendment Necessary: No.

7. Fiscal Impact Estimates: Preliminary.

8. Fiscal Implications: No state fiscal impact is anticipated as a result of this bill.

9. Specific Agency or Political Subdivisions Affected: Department of Housing and Community Development; localities.

10. Technical Amendment Necessary: No.

11. Other Comments: None.