



Councilmember Anita Bonds

A BILL

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

To amend the Rental Housing Act of 1985, to define “rent ceiling” and “rent charged”; to clarify that the abolition of rent ceilings applies to all unimplemented and expired rent increases; to reset rents charged based on the rent charged and any unexpired rent surcharges in effect on the effective date of this act; to clarify that rent increases may not be implemented more than 30 days after a housing provider is first eligible to take the increase; to specify requirements for notices of a rent charged, rent charged adjustment, or rent surcharge; to require the definition of “rent charged” to be included on all forms that include the phrase “rent charged”; to regulate discounted rents; to define a discounted rent as rent charged that is at least 10% less than the rent charged a prior or current tenant; to require that for as long as a tenant with a discounted rent is a tenant of a rental unit: 1. the discounted rent must be the sole basis for the calculation of adjustments to the rent charged for the duration of a tenant’s tenancy, 2. the rent for the rental unit must be equal to the amount of the initial discounted rent, plus any implemented rent charged adjustments and unexpired rent surcharges, and 3. the discounted rent must be granted to a tenant unconditionally; to permit a housing provider that had granted a discounted rent to charge the next tenant of the same rental unit up to the amount of rent charged immediately before the establishment of a discounted rent, plus authorized but unimplemented rent charged adjustments; to require the forfeiture of rent increases 1. not implemented within 30 days after a tenant with a discount vacates a unit, and 2. when the amount filed pursuant to section 206(h)(2) is not correct; to require that late fees for a tenant with a discounted rent be based on the rent charged; to require that rental advertisements include the proposed rent charged, any rent surcharge in effect, and any unexpired rent surcharges; to provide for penalties for violations of the requirements of this act; and to clarify rent increases to vacant units.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this act may be cited as the “Rent Charged Clarification Amendment Act of 2018”.

Sec. 2. The Rental Housing Act of 1985, effective July 17, 1985 (D.C. Law 6-10; D.C.

42 Official Code § 42-3501.01 *et seq.*), is amended as follows:

43 (a) Section 103 (D.C. Official Code § 42-3501.03) is amended as follows:

44 (1) Paragraphs (29) and (29A) are amended to read as follows:

45 “(29) “Rent ceiling” means the maximum rent that a housing provider was legally
46 entitled to demand, receive, or charge for a rental unit once unimplemented increases in the rent
47 charged were taken, in effect prior to the abolition of rent ceilings by the Rent Control Reform
48 Act of 2006 (D.C. Law 16-145).

49 “(29A) “Rent charged” means the entire amount of money, money’s worth, benefit,
50 bonus, or gratuity a tenant must actually pay to a housing provider as a condition of occupancy
51 or use of a rental unit, its related services, and its related facilities, pursuant to the Rent
52 Stabilization Program.”.

53 (2) Paragraph (29B) is redesignated as paragraph (29C).

54 (3) A new paragraph, (29B) is added to read as follows:

55 “(29B) “Rent Stabilization Program” means the program and related requirements
56 established by title II.”.

57 (b) Section 206 (D.C. Official Code § 42-3502.06) is amended as follows:

58 (1) The title of section 206 is amended to read as follows:

59 “Sec. 206. Rent charged.”.

60 (2) Subsection (a) is amended to read as follows:

61 “(a) Rent ceilings are abolished.”.

62 (3) Subsection (b) is amended by striking the phrase “by subsection (a) of this
63 section” and inserting the phrase “pursuant to the Rent Stabilization Program” in its place.

64 (4) Subsection (e) is amended to read as follows:

65 “(e)(1) A tenant may challenge a rent charged; rent charged adjustment, or rent surcharge
66 implemented under or authorized by any section of this Act by filing a petition with the Rent
67 Administrator under section 216.

68 “(2) No petition may be filed with respect to any rent charged, rent charged
69 adjustment, or rent surcharge, under any section of this Act more than 3 years after the effective
70 date of the rent charged, rent charged adjustment, or the rent surcharge, except that:

71 “(A) The 3-year statute of limitations established by this subsection shall
72 not apply to a challenge to the basis for any such rent charged, rent charged adjustment, or rent
73 surcharge; and

74 “(B) The new base rent as provided in section 103(4) may not be
75 challenged more than 6 months after the date the housing provider files his base rent as required
76 by this Act.”.

77 (5) New subsections (a-1), (a-2), (a-3), (h), and (i) are added to read as follows:

78 “(a-1) Base rents on April 30, 1985. – No housing provider may demand, receive, or
79 charge for a rental unit subject to this Act, a rent in excess of the base rent, plus subsequent rent
80 charged adjustments and rent surcharges authorized by the Rent Stabilization Program that have
81 not expired or were not abolished after April 30, 1985.

82 “(a-2) Reset of rents charged on the effective date of act. – (1) No housing provider may
83 demand, receive, or charge for a rental unit subject to this Act, a rent in excess of the sum of the
84 rent charged and any unexpired rent surcharge in effect on the effective date of B22-XXX, the
85 Rent Charged Clarification Amendment Act of 2018, plus subsequent rent charged adjustments

86 and any unexpired rent surcharge in effect and authorized by the Rent Stabilization Program.

87 “(2) If section 208(e) limits the application of this subsection to a tenant, then
88 upon the expiration of the term of the lease or rental agreement entered into prior to the effective
89 date of this act, the rent for the rental unit shall not exceed the sum of the rent charged and any
90 applicable and unexpired rent surcharges during the term of the lease or rental agreement, plus
91 subsequent rent charged adjustments and unexpired rent surcharges authorized by the Rent
92 Stabilization Program.

93 “(3) No provision of this act shall be construed as authorizing a rent charged
94 adjustment or rent surcharge implemented either prior to or after the effective date of this act,
95 that a court or administrative body may otherwise deem to be in violation of the rent ceiling
96 abolition, or any other provision of the Rent Stabilization Program.

97 “(a-3) Thirty-day expiration of unimplemented rent charged increases and rent
98 surcharges. – Except as otherwise provided in section 208a(e):

99 “(1) A housing provider shall forfeit any portion of an increase to the rent charged
100 or a rent surcharge that is not implemented by an increase to the rent charged or imposition of a
101 rent surcharge within 30 days of first becoming eligible to implement the increase or the
102 surcharge under the Rent Stabilization Program.

103 “(2) In the event that section 208(g) or 208a prohibits or limits the immediate
104 implementation of an increase to the rent charged or a rent surcharge, the right of a housing
105 provider to preserve or implement any unimplemented portion of the rent charged increase or
106 rent surcharge shall expire 30 days after the housing provider’s first opportunity to implement
107 the rent charged increase or rent surcharge under the Rent Stabilization Program.

108 “(3) This section shall apply to any rent charged adjustment or rent surcharge
109 authorized or approved, but not yet implemented prior to the effective date of this act.

110 “(h) (1) All notices or disclosures provided to a tenant and filed with the Rent
111 Administrator of a rent charged, rent charged adjustment, or rent surcharge shall be on a form
112 provided by the Rent Administrator that includes the following information for the rental unit:

113 “(A) Current and new rent charged;

114 “(B) The amount of any rent reduction;

115 “(C) Any unexpired rent surcharges; and

116 “(D) Any approved or authorized but unimplemented rent charged adjustments
117 and unexpired rent surcharges, and the date of expiration of each adjustment and surcharge
118 pursuant to subsection (a-3).

119 “(2) The amount of any rent reduction pursuant to paragraph (1)(B) of this
120 subsection shall mean the amount of the reduction in rent charged that is in effect at the time of
121 the notice or disclosure regarding a discounted rent established pursuant to section 208a.

122 “(i) No tenant may sublet a rental unit for a rent greater than the rent charged to the
123 tenant plus any unexpired rent surcharges in effect for the rental unit.”.

124 (c) Section 208 (D.C. Official Code § 42-3502.08) is amended as follows:

125 (1) Subsection (e) is amended by striking the word “rent” wherever it appears and
126 inserting the phrase “rent charged or rent surcharge” in its place.

127 (2) Subsection (f) is amended to read as follows:

128 “(f)(1) Any notice of an adjustment under section 206 shall contain a statement of the
129 current rent charged, the increased rent charged, any current rent surcharge, and any new rent

130 surcharge increase.

131 “(2) The definition of “rent charged” shall be included on all Rental
132 Accommodations Division forms that include the phrase “rent charged”.

133 “(3) The notice shall also include a summary of tenant rights under this chapter
134 and a list of sources of technical assistance as published in the District of Columbia Register by
135 the Mayor.”.

136 (3) Subsection (h)(2)(A) is amended by striking the phrase “current allowable”.

137 (d) A new section 208a is added to read as follows:

138 “208a Discounted rent.

139 “(a) A housing provider may offer a discounted rent to a tenant for a rental unit.

140 “(b) For the purposes of this section, a discounted rent means a rent charged that is at
141 least 10% less than the rent charged the prior tenant of a rental unit or, in the case of a discounted
142 rent established after the commencement of the tenancy, 10% less than the rent charged
143 immediately before the establishment of the discounted rent.

144 “(c) For as long as a tenant with a discounted rent is a tenant of a rental unit:

145 “(1) The discounted rent shall be the sole basis for the calculation of adjustments
146 to the rent charged and new rent surcharges for the duration of the tenancy of the tenant;

147 “(2) The rent for the rental unit shall be equal to the amount of the initial
148 discounted rent, plus any implemented rent charged adjustments and unexpired rent surcharges
149 authorized by the Rent Stabilization Program; and

150 “(3) A discounted rent shall be granted to a tenant unconditionally, and may not
151 be rescinded by a housing provider for any reason.

152 “(d) A discounted rent may be offered a tenant at the commencement of, or at any time
153 during a tenancy.

154 “(e) (1) After a tenant with a discounted rent vacates a rental unit, the housing provider
155 may demand, receive, or charge the next tenant of the same rental unit up to:

156 “(A) The rent charged immediately before the establishment of the
157 discounted rent; plus

158 “(B) Any rent charged adjustments or unexpired rent surcharges that were
159 authorized but not implemented on or after the date of the establishment of the discounted rent of
160 the vacating tenant.

161 “(2) A housing provider shall forfeit any portion of a rent charged increase
162 pursuant to paragraph (1) of this subsection, if:

163 “(A) The rent charged increase is not implemented as an increase to the
164 rent charged or imposition of a rent surcharge for the next tenant within 30 days after a tenant
165 with a discounted rent vacates a unit; or

166 “(B) The amount filed pursuant to section 206(h)(2) of this Act is not correct.

167 “(f) Within 30 days of the effective date of a discounted rent, the housing provider shall
168 file with the Rent Administrator and provide to the tenant, an affidavit certifying the discounted
169 rent and the amount of the reduction in rent charged that is implemented pursuant to this section
170 208a in establishing the discounted rent for the rental unit.

171 “(1) The affidavit shall include a statement by the housing provider that the
172 discounted rent:

173 “(A) Was granted unconditionally;

174 “(B) Shall not be rescinded by a housing provider for any reason; and

175 “(C) Shall be the basis of all future rent charged adjustments and rent
176 surcharges for the tenant with a discounted rent that are authorized by the Rent Stabilization
177 Program, notwithstanding the expiration of any lease or rental agreement or the term of any lease
178 or rental agreement.

179 “(2) A housing provider may not implement a rent charged adjustment or impose
180 a rent surcharge for a rental unit until the affidavit required by this subsection is provided to the
181 Rent Administrator and a copy provided to the tenant.

182 “(g) For as long as a discounted rent is in effect, the amount of a late fee for the late
183 payment of rent pursuant to section 531 shall be based on the rent charged.

184 “(h) Any advertisement for a rental unit shall include the proposed rent charged, any rent
185 surcharge in effect, and any unexpired rent surcharges that were authorized but not implemented.

186 “(i) If a housing provider violates any requirement of this act:

187 “(1) The housing provider shall cure the violation; and

188 “(2) In the case of a substantial violation, the rent charged for the next tenant who
189 occupies the rental unit shall be no more than the discounted rent that should have been charged
190 the prior tenant if the housing provider had complied in full with the act and may be a lower
191 amount if so determined by the Rent Administrator.”.

192 (e) Section 213 (D.C. Official Code § 42-3502.13) is amended follows:

193 (1) Subsection (a) is amended as follows:

194 (A) The lead-in text is amended by striking the phrase “rent charged may”
195 and inserting the phrase “rent charged for the next tenant may” in its place.

196 (B) Paragraph (1) is amended to read as follows:

197 “(1) Up to 10% of the amount of rent charged to the prior tenant for the unit; or”.

198 (C) Paragraph (2) is amended by striking the phrase “To the amount of
199 rent charged for a substantially identical rental unit in the same housing accommodation;
200 provided, that the increase shall not exceed 30% of the current lawful amount of rent charged for
201 the vacant unit” and inserting the phrase “Up to the amount of rent charged for a substantially
202 identical rental unit in the same housing accommodation; provided, that the increase shall not
203 exceed 30% of the amount of rent charged to the prior tenant for the unit” in its place.

204 (2) Subsection (c) is amended to read as follows:

205 “(c) No rent charged increase under subsections (a)(1) and (a)(2) may be sought or
206 granted within the 12-month period following the implementation of a hardship increase under
207 section 212.”.

208 (3) Subsection (d) is amended as follows:

209 (A) Paragraph (1) is amended by striking the phrase “applicable rent”
210 and asserting the phrase “applicable rent charged and any applicable rent surcharges” in its place.

211 (B) Paragraph (2) is amended to read as follows:

212 “(2) The amount of the increases in the amount of rent charged and of any new rent
213 surcharge for the rental unit during the preceding 3 years, including the basis for each increase
214 and surcharge and, if applicable, the identification of any substantially identical rental unit on
215 which a vacancy increase is based, and the current increase in the rent charged and the amount of
216 any new rent surcharge to be imposed on the new tenant;”.

217 (C) Paragraph (3) is amended by striking the word “based.” and

218 inserting the phrase “based; and” in its place.

219 (D) A new paragraph (4) is added to read as follows:

220 “(4) Any additional information required by section 206(h).”.

221 Sec. 3. Rulemaking.

222 Within 180 days of the effective date of this act, the Rental Housing Commission shall
223 promulgate rules to implement this act. The proposed rules shall include revisions necessary to
224 update relevant housing provider reporting forms according to the requirements of this act.

225 Sec. 4. Fiscal impact statement.

226 The Council adopts the fiscal impact statement in the committee report as the
227 fiscal impact statement required by section 602(c)(3) of the District of Columbia Home
228 Rule Act, approved December 24, 1973 (87 Stat. 813; D.C. Official Code § 1-
229 206.02(c)(3)).

230 Sec. 5. Effective date.

231 This act shall take effect following approval by the Mayor (or in the event of veto
232 by the Mayor, action by the Council to override the veto), a 30-day period of
233 Congressional review as provided in section 602(c)(1) of the District of Columbia Home
234 Rule Act, approved December 24, 1973 (87 Stat. 813; D.C. Official Code § 1-
235 206.02(c)(1)), and publication in the District of Columbia Register.