

Department of Legislative Services  
Maryland General Assembly  
2011 Session

FISCAL AND POLICY NOTE

House Bill 960 (Delegates McConkey and Eckardt)  
Environmental Matters

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Real Property - Companion Apartments

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This bill authorizes the owner of a “residential dwelling” to create and rent a companion apartment in the dwelling under specified conditions.

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Fiscal Summary

**State Effect:** The bill does not materially affect State operations or finances.

**Local Effect:** Local government expenditures and revenues increase to the extent local governments must inspect and license construction of rental units under the bill. Local government revenues potentially increase to the extent local governments charge licensing fees for rental units. Any such increases are assumed to be minimal.

**Small Business Effect:** Minimal.

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Analysis

**Bill Summary:** A “residential dwelling” is an owner-occupied, single-family detached house. A “companion apartment” means a residential unit wholly located within a residential dwelling but with an exterior entrance and separate provisions for cooking, eating, sanitation, and sleeping. To be eligible for a companion apartment, the residential dwelling may not be (1) located on property that is subject to a condominium regime; or (2) located in a development subject to a declaration of a homeowners association or a cooperative project without the express permission of the homeowners association or cooperative housing corporation. If an association or project grants permission, it may not revoke that permission as long as the apartment is tenant-occupied, with no more than a six-month gap between tenants. A house may have only one companion apartment.

A companion apartment established in a house must have at least 500 square feet of living space; use the same address as the house; and be subject to all applicable fire, safety, and building regulations.

If the house is no longer owner-occupied, the apartment may no longer be used as such and any structural accommodations must be removed.

A county or municipal corporation may not generally prohibit the creation or rental of companion apartments. However, a county or municipal corporation may impose health and safety standards that are more stringent than the bill.

**Current Law/Background:** Companion apartments are regulated by local governments. For example, Montgomery County allows “accessory apartments,” which are similar to companion apartments. To build an accessory apartment, a person must obtain a special exception to the zoning ordinance from the Montgomery County Board of Appeals. Montgomery County also allows “registered living units,” which may only be occupied by a relative or caregiver and no rent can be collected. Registered living units do not need a special exception but must be registered with the county. Accessory apartments and registered living units must meet all applicable code requirements for dwelling units including egress, space, and use requirements.

Carroll County previously allowed “in-law” apartments but repealed this designation in 2000. However, the county allows apartments that function like in-law apartments as long as the units meet all applicable zoning and health department regulations. The county advises that it had difficulty preventing persons from renting these apartments as normal units when in-laws passed away.

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### **Additional Information**

**Prior Introductions:** HB 550 of 2005 received an unfavorable report from the House Environmental Matters Committee.

**Cross File:** None.

**Information Source(s):** Cecil, Carroll, St. Mary’s, and Montgomery counties; City of Laurel; Office of the Attorney General (Consumer Protection Division); Department of Housing and Community Development; Judiciary (Administrative Office of the Courts); Secretary of State; Department of Legislative Services

**Fiscal Note History:** First Reader - March 9, 2011  
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