

## States Authorizing Rent Control

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### Issue

Which states have laws authorizing local governments to adopt rent control ordinances? What type of parameters do these laws place on local governments? This report updates OLR Report [2015-R-0020](#). **This report has been updated by OLR Report [2021-R-0211](#).**

### Summary

According to the book “*Renters’ Rights*,” by Portman and Stewart, four states (California, Maryland, New Jersey, and New York) and the District of Columbia have laws authorizing rent control ordinances. Approximately 30 states have laws prohibiting local jurisdictions from adopting rent control ordinances. In states where the statutes are silent, local governments may enact rent control ordinances pursuant to their general police powers, or they may be prohibited from doing so pursuant to case law, which is the case in Connecticut (see Background).

Generally, the rent control enabling laws set a framework under which municipal or county governments may adopt rent control ordinances. These laws commonly address (1) jurisdictional limits, (2) the method for calculating maximum rent, (3) exempt properties, (4) restrictions on eviction, and (5) penalties and enforcement. The laws generally leave it to local governments to implement rent control through ordinances that fall within the parameters established by statute. Thus, approaches vary considerably.

### *Rent Control*

*Jurisdictions often adopt rent control ordinances to ensure there is adequate quality affordable housing.*

*While many ordinances allow residential landlords to set the rent for vacant units at market price, once a tenant moves in, they limit the rate at which landlords can increase such rent. For example, an ordinance may allow rent to increase only (1) by a specific percentage per year or (2) to cover the cost of capital improvements.*

## Rent Control Enabling Laws

Maryland, New Jersey, New York and the District of Columbia have laws that explicitly authorize rent control. In California, courts have held that rent control is a local police power authorized by the state constitution. (California statutes place limits on municipal authority to control rent.) Generally, state rent control laws have provisions addressing some, or all, of the following aspects of rent control:

1. purpose for which rent control may be established (e.g., housing shortage, substandard housing);
2. jurisdictions in which rent control is permitted (e.g., in any municipality, only in certain counties);
3. exempt property (e.g., new construction, single-family rentals);
4. tenant protections (e.g., prohibiting retaliatory evictions, requiring security deposits to be kept in interest-bearing accounts);
5. administrative machinery (e.g., public agency that assists municipalities in establishing and enforcing rent control);
6. formula for setting maximum rents (e.g., percentage increase tied to average consumer price index, factors for determining landlords' legitimate business expenses); and
7. remedies (e.g., penalty for landlords who violate ordinances, protections for landlords in substantial compliance).

The laws in California and New York are comprehensive and establish the most restrictive frameworks for jurisdictions adopting rent control. Their statutes cover most of the abovementioned aspects of rent control and ordinances must fall within those parameters ([Cal. Const. Art. XI, § 7](#); [NY Unconsol. Laws Title 23](#); and Cal. Civ. Code [§§ 1947.7 to 1947.15](#), [§§ 1954.50 to 1954.535](#)).

New Jersey's law is less restrictive than California's or New York's. It authorizes municipalities to control rent in substandard apartments and describes, among other things, the (1) types of apartments subject to regulation, as well as those exempt from it; (2) formula for maximum rents; and (3) conditions under which a landlord can evict a tenant or charge rent above the specified limit in a rent-controlled unit ([N.J. Stat. Ann. §§ 2A:18-61.31, 2A:42-74 et seq., 2A:42-84.2, 52:27D-199](#)).

The Congressional act authorizing the District of Columbia to establish rent control (1) creates a commission to implement rent control; (2) protects tenants from retaliatory action; (3) establishes remedies for rent control violations; and (4) creates the Office of the Rent Administrator, appointed by the mayor, to carry out the rules set by the commission. The Council of the District of Columbia has discretion concerning maximum rent calculations, exempted dwellings, and the rent administrator's approval ([D.C. Code Ann. § 42-3502.01 et seq.](#)).

Maryland's law is the least restrictive and does not establish any parameters for local governments. Rather, it authorizes two counties (Frederick and Washington) to enact ordinances or adopt regulations to control rent. It appears each county has full discretion over implementation ([MD Code, Local Govt. §§ 13-921 to 923](#)).

## Background

Connecticut law does not currently permit municipalities to adopt rent control ordinances. The Connecticut Supreme Court reached this conclusion after finding that (1) municipalities have only the powers that are expressly conferred upon them and necessary to effect conferred powers and (2) the legislature's 1956 repeal of laws authorizing municipalities to enact rent control made it clear that rent control is contrary to the legislature's will (*Old Colony Gardens, Inc. v. Stamford*, 147 Conn. 60 (1959)). However, Connecticut law authorizes municipalities to establish fair rent commissions to "control and eliminate excessive rental charges." Commissions can receive and investigate rent complaints, issue subpoenas, hold hearings, order landlords to reduce rents, stop retaliatory actions, and impose penalties for violations ([CGS §§ 7-148b to -148g](#)).

Some other states may prohibit rent control because rent control ordinances have been challenged as a violation of (1) the eminent domain, equal protection, and contract clauses and (2) substantive due process. Courts have generally held that for rent control ordinances to comply with the constitution, landlords must not be deprived of a just and reasonable return on the value of the rental property.

## Sources

J. Portman & M. Stewart, *Renters' Rights*, Chapter 12, (Nolo, March 2015).

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