



# New Laws You Need to Know Right Now

Legal Tools February 2024

# Updates to the Tenant Protection Act (TPA) Effective April 1st, 2024



## Damages

- For years people have asked about the consequences of violating the TPA. As of April 1st, 2024, we know the answer.
- An owner who materially violates the TPA by improperly terminating a tenancy or by raising the rent beyond the maximum amount is liable for:
  - Actual damages;
  - Reasonable attorney's fees and costs (at the discretion of the judge);
  - Up to three times actual damages for willful violations;
  - Punitive damages; and
  - The Attorney General may seek injunctive relief.

# Updates to the Tenant Protection Act (TPA) Effective April 1st, 2024

## Termination for Owner/Family Move-In

- Under the new law, the termination notice must state the name and relationship of the person moving in and inform the tenant that they can demand proof that the soon-to-be occupant owns the property or is related to the owner.
- Additionally, the occupant must move in within 90 days after the tenant vacates and must remain in the property for more than one year.
  - If the occupant doesn't move in within 90 days or stay for at least 12 months, the owner must offer the unit back to the tenant under the same terms and pay for reasonable moving expenses in excess of any relocation assistance paid.





# Updates to the Tenant Protection Act (TPA) Effective April 1st, 2024

## Termination for Substantial Remodel

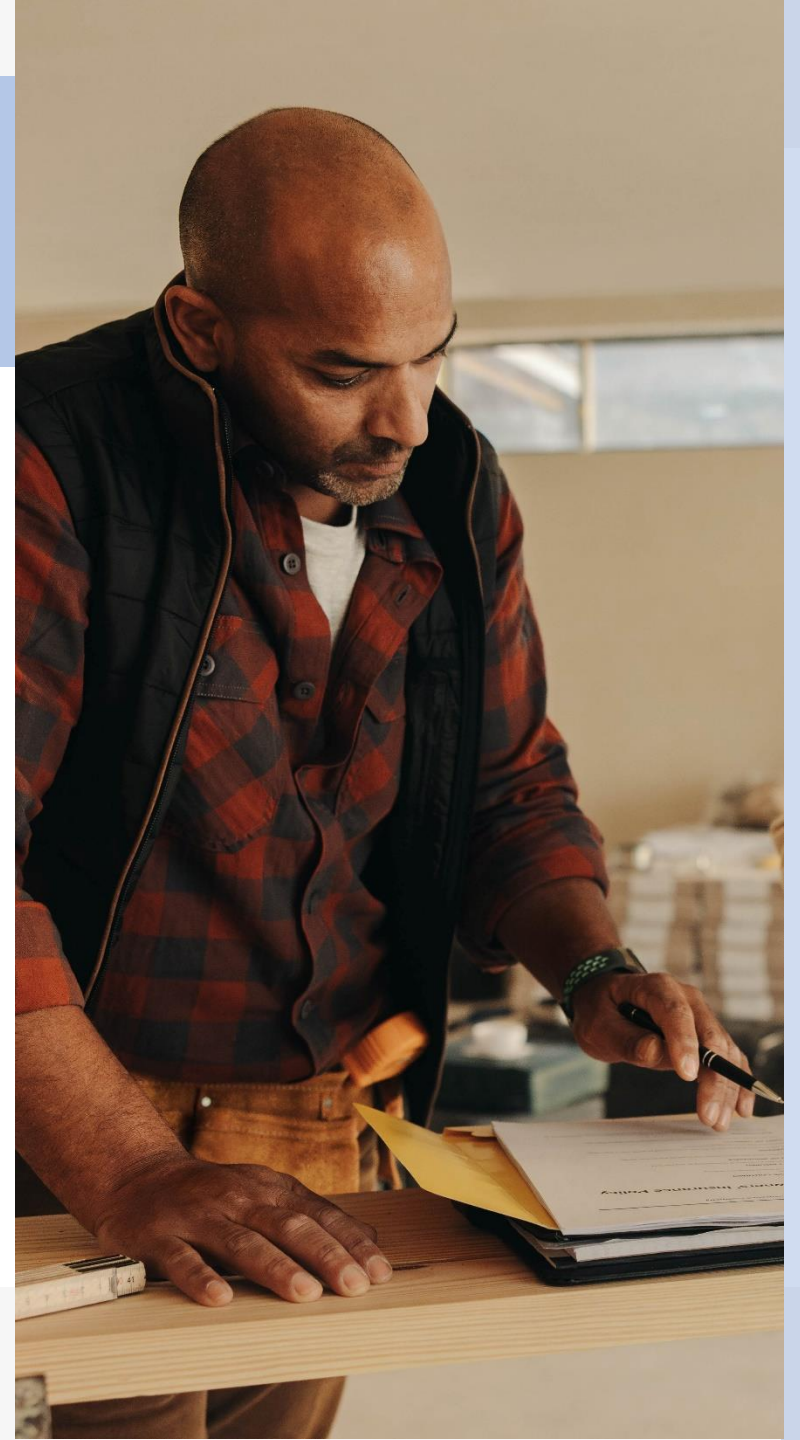
The new law requires that the rehabilitation work would prevent the tenant from safely remaining in occupancy and be “required to vacate” for 30 “consecutive” days. If at any point a tenant could continue living in the property without violating health, safety, and habitability codes, then the tenant is not “required to vacate” and the 30 days restarts.



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The notice of termination for substantial remodel must now:

- Include a statutory notice which must be written verbatim;
- Explain that the tenant will have a right to re-rent on the same terms if the renovation is not completed; describe the remodeling to be completed and the approximate expected duration;
- Include a copy of the permit(s) required to undertake the substantial remodel (or demolition); and
- Include a notification that if the tenant is interested in reoccupying the rental unit following the substantial remodel, the tenant shall inform the owner of the tenant's interest in reoccupying the rental unit following the substantial remodel and provide to the owner the tenant's address, telephone number, and email address.





- This new law imposes certain disclosure requirements on so-called “flippers” aka any seller who is accepting an offer within 18 months from when they acquired the property and has since hired a contractor to perform work on the property.
- Starting July 1st, 2024, these sellers will have to disclose to the buyer all room additions, structural modifications, and any other alteration or repair that has taken place during their ownership.
- Furthermore, the seller either has to provide a copy of any permits obtained or inform the buyer of the third party who can provide the permits if the seller doesn't have them.
- Finally, if the cost of labor and materials was more than \$500, the seller must disclose the name and contact information of each contractor who performed work on the property.

## New “Flipper” Disclosure

### Effective July 1st, 2024



# New Security Deposit Limits – Effective July 1st, 2024



- Under current rules, housing providers may collect two month's rent as security on an unfurnished unit and three month's rent for a furnished unit. Starting July 1st, 2024, housing providers may only collect one month's rent as security for all types of units.
- There is a narrow exception for "small landlords" who may still collect two month's rent as security on any type of unit. The law defines a small landlord as a natural person who owns no more than two investment rental properties which collectively include no more than four total units. In this context, a natural person includes a family trust or an LLC with no corporate members.
  - Even for small landlords, however, if the prospective tenant is a service member, the security is limited to one month's rent.

# Already in Effect, But Don't Forget About ...

- New Cap on Exclusive Listing Periods
- Under this new law, it is illegal for an exclusive listing agreement on residential 1-4 unit property to have a term of more than 24 months. Renewals of any such listing agreement cannot be for more than 12 months.
- Furthermore, renewals of any exclusive listing agreement on residential property cannot be automatic and must be in writing and signed by all parties.
- Finally, it is illegal to record any exclusive listing agreement on residential property.





# Already in Effect, But Don't Forget About ...

- New Small Claims Court Limits
- Until this year, individuals could bring a case in small claims court for amounts up to \$10,000. The limit for corporate entities was \$5,000. As of January 1, 2024, however, these limits have increased. Now, the small claims court limit for an individual is \$12,500 and the limit for corporate entities is now \$6,250.
- Remember though, that if either a natural person or an entity brings more than two claims in a calendar year, the threshold limit remains only \$2,500.



# Additional Resources

- ♦ Quick Guide [Quick-Guide---2024-New-Laws-You-Need-to-Know-Right-Now.pdf](#) (car.org)
- ♦ New Laws Webinar <https://www.car.org/riskmanagement/live>
- ♦ New Laws Chart <https://www.car.org/riskmanagement/qa/New-Laws/2024-New-Laws>