



DAA LEGISLATIVE UPDATE **As of: May 11, 2016**

As the second Session of the 148th Delaware General Assembly heads for a close on June 30th, and with a State Budget of around \$4.2billion, there are currently a number of issues the Assembly is working on that impact the apartment industry:

SB 179 - Source of Income.

For the multi-family industry, this issue has been with us for many years. The bill seeks to create a new protected class for those tenants that have as their source of paying rent - some government or private voucher program. As many in our industry have noted in testimony and in letters of objection to the original bills, and while we do not object to the Section 8 program, most market rent owners are not staffed or prepared to operate in this environment. The current legislation seeks to address this issue of mandatory acceptance of housing vouchers by including new language that states we as landlords are not obligated to accept or enroll our units in this program. After a series of meetings and amending language during the Senate Hearing from DAA - the bill moved from the Senate and is now awaiting action in the House. There is an expectation of one other DAA amendment prior to a House vote, but it is not clear when this will happen.

Administrative Warrant.

There is draft legislation supported by the City of Newark that seeks to expand all city and county charters to allow any of those cities or counties to have the power of administrative warrant that allows a designated agent/government official of that city to gain access to a leased unit, even if the tenant says no to any access. DAA was first alerted to this issue by members of the Newark Landlord Association, which as drafted, has numerous concerns and issues. There have been two meetings between the landlord community and city officials, with another scheduled. There is no sense of what will occur, but DAA has maintained that if Admin Warrant is to become law - the cities must be given some definitive parameters under which these warrants can be issued, their scope, notice, ability to cure, and no seeking of an Admin Warrant without attempts by the city to make contact with the tenant for this inspection. DAA and NLA also believe there may be other solutions to gain increased compliance to inspections - without the need for warrants.

SS#1 to SB134 - Homeless Bill of Rights.

This bill also seeks to create a new protected class of persons (homeless) that cannot be discriminated against because of their housing status. The bill establishes new definitions, the areas where homeless people should be protected from unlawful search, or displacement (public parks/sidewalks) and the enforcement scheme if their individual rights are abridged. DAA just recently saw the revised version of the bill and believe there may be some significant issues that place our ability to manage and place potential tenants in units in question.