

Being or Becoming A Landlord in the District

Department of Consumer and Regulatory Affairs



Introduction

The Department of Consumer and Regulatory Affairs (DCRA) protects the health, safety, economic interests and quality of life of residents, businesses and visitors in the District of Columbia by ensuring code compliance and regulating business.

This e-booklet is a resource guide intended for landlords (or aspiring landlords) who qualify for a one-family or two-family rental license and operate without the assistance of a property management company.

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“Basically, you need a license if you own residential property and are offering any portion for rent or lease, for any amount of time and for any amount of money.”

Do I need a business license?

Pursuant to 14 DCMR § 200.2, you need a business license if you are offering out for rent or lease “any dwelling unit or rooming unit in a residential building.” Basically, you need a license if you own residential property and are offering any portion for rent or lease, for any amount of time and for any amount of money. For example, if you decide to rent one room in your house while you are living there, you need a license.

What type of license do I need?

All housing businesses require a Basic Business License (BBL) with appropriate endorsement. Rentals of 30 days or less require a short-term rental license and are not addressed in this ebooklet.

Pursuant to 14 DCMR § 201.1, rentals of 31 days or more require one of the following BBL endorsements:

1. One-Family Rental license endorsement:

Single-family home, townhouse, duplex, individual condominium unit, or individual room(s) within a home (regardless of whether the owner resides there or not).

2. Two-Family Rental license endorsement (also requires certificate of occupancy):

English basement apartment, converted basement apartment, or carriage house where the owner or another tenant occupies the main residence.

3. Apartment House license endorsement (also requires certificate of occupancy):

Buildings with three (3) or more dwelling units.





Examples:

- You own a single-family home or a condo unit, and you want to rent out one or more rooms (such that there are no more than six unrelated persons in the property): One-Family Rental License required
- You own a condo unit that you want to rent out in full (such that there are no more than six unrelated persons in the property): One-Family Rental License required
- Your property is in a zone that only allows one dwelling unit, and you want to rent out the basement or carriage house on your property where you or another tenant reside in the main residence: One-Family Rental License required
- Your property is in a zone, such as the Residential Flat (RF) Zone, that allows two or more dwelling units, and you want to rent out the basement or carriage house on your property, where you or another tenant reside in the main residence: Two-Family Rental License and Certificate of Occupancy required
- You own a detached or rowhouse structure that was converted into three separate condo units (and therefore is a multi-family dwelling), and you live in one of the units: Apartment House License and Certificate of Occupancy required

Please note that, regardless of licensing requirements, all basement units and carriage houses must comply with building code requirements for dwelling units, which includes fire separation, e.g. fireproof door,

fire resistance materials to ensure slower spread of fire to other dwelling units; egress, e.g. windows large enough to escape through in case of fire; plumbing and electrical shut-offs, though not necessarily separately-billed utilities; and other requirements. For more information and guidance on complying with these building code requirements, please contact DCRA's Residential Center.

Please also note that an Accessory Dwelling Unit (ADU), called an "accessory apartment" in the zoning regulations, is only allowed in certain zones. For more information and guidance on zoning requirements, please contact DCRA's Office of the Zoning Administrator.

Both may be contacted online at dcra.dc.gov or via email at dcra@dc.gov or (202) 442-4400.

Do I need to incorporate in order to have a rental business?

No. You may choose to operate your housing rental business as a sole proprietorship (unincorporated business owned and operated by one individual) or a business entity such as a corporation, limited liability company (LLC), or limited partnership.

For a sole proprietorship, you do not need to complete a corporate registration with DCRA. You apply for your rental business license using your Social Security Number (SSN).

If you choose to operate as a business entity (other than a sole proprietorship), you must register it with DCRA, using CorpOnline, DCRA's corporate registration and filing platform, apply for a federal Employer

Identification Number (EIN or FEIN) from the Internal Revenue Service (IRS), and then register the EIN with the DC Office of Tax and Revenue (OTR). You apply for your rental business license using your business entity's EIN..

To help you decide what is best for your business, visit dcra.dc.gov and view the Choose a Corporate Structure page, which reviews the pros and cons of each type of legal structure.

What documents do I need to establish my rental business and get my license?

- If you are using a business entity for your rental business:
 - Completed business registration with [DCRA's CorpOnline](#)
 - [EIN from the IRS](#)
 - Completed FR-500 business registration with OTR at MyTax.DC.gov
 - Completed trade name registration, if using a trade name or shortened version of the business entity name when conducting business
- Clean Hands certification that you do not owe more than \$100 to the DC government. You may obtain the certification from MyTax.DC.gov or complete [self-certification subject to verification](#).
- Confirm the need to apply for a Two-Family Rental or Apartment House License, Certificate of Occupancy for your property.

- Completed Resident Agent Registration Form, if you are a non-DC resident owner.

- Completed Rental Accommodations Division (RAD) Registration / [Claim of Exemption Form](#) to be submitted to the Department of Housing and Community Development (DHCD)

- Download the [BBL Inspection Checklist](#) and ensure that your rental unit(s) will pass inspection.

How do I get my rental business license?

Once you have all your paperwork ready, if you have not done so during your ownership, you must obtain and pass a BBL housing inspection once in order to obtain or renew your rental business license. One-family and two-family rental properties must pass an inspection prior to submitting a license application.

Schedule your inspection at dcra.dc.gov at no cost. If no housing code violations are found during the BBL inspection, you will receive a Passed BBL Inspection Checklist on the same day.

If violations are found, you will receive a Failed BBL Inspection Checklist, and will be scheduled for a re-inspection at a cost of \$90 (within 3 days for life/safety violations; within 15 days for non-life/safety violations). If the violations are not abated at the time of re-inspection, a Notice of Infraction (NOI) will be issued.

Once you have passed your housing inspection, begin your license application process at: mybusiness.dc.gov.

After you have received your One-Family or Two-Family Rental License, you must submit your RAD Registration / Claim of Exemption Form to DHCD for stamped approval. If you are applying for an Apartment House License, you must obtain your DHCD-stamped RAD Form and provide a copy to DCRA before your license will be issued.

Once you receive your license, register your unit in [DCRA's Housing Registry](#) with your preferred contact information, including property management information. This allows DCRA to easily contact you and/or your property manager if DCRA receives a tenant complaint, schedules an inspection, or

identifies a violation at your rental property. If you have tenant access issues, DCRA may be able to assist with arranging access for repairs prior to conducting a tenant-requested inspection.

How do I find a tenant?

When advertising and managing your rental unit, you must comply with fair housing and anti-discrimination laws.

These laws are enforced by the [DC Office of Human Rights](#) and the [DC Office of the Attorney General, Civil Rights Section](#).

Prospective and current tenants may file complaints with either agency.

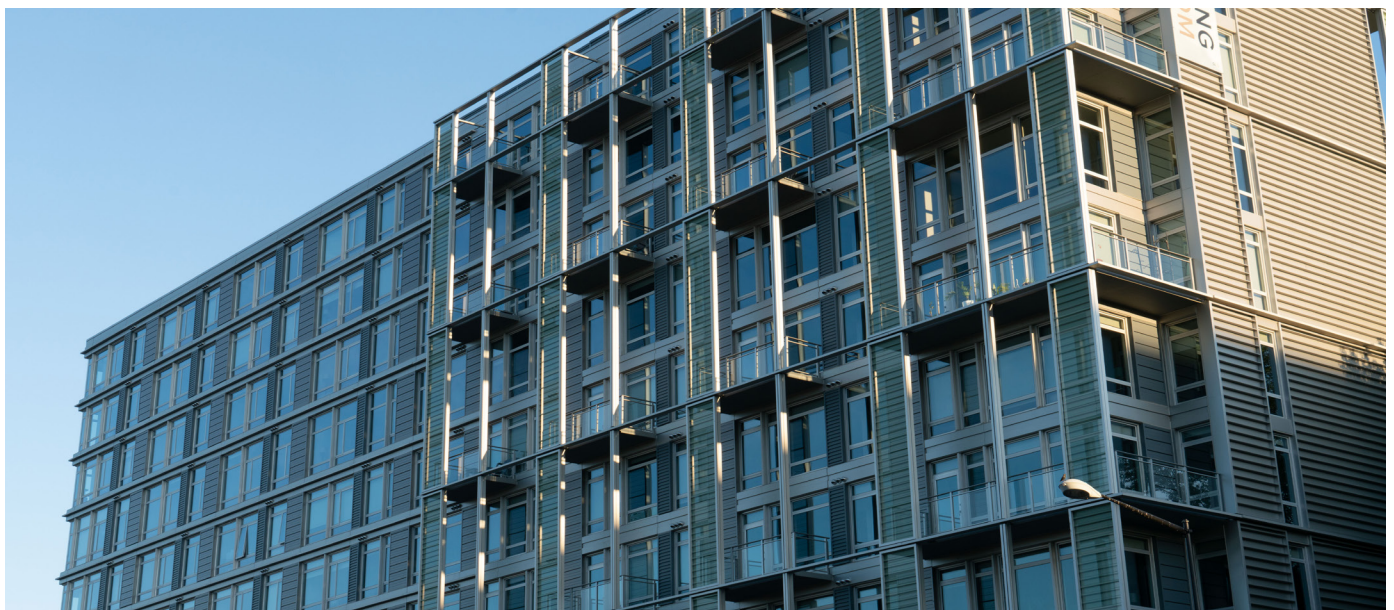
Under the DC Human Rights Act of 1977, it is unlawful to discriminate against a particular group based on their race, gender, religion, age, marital status,



family responsibilities, political affiliation, disability, source of income, and other categories listed in the law. For example, under the “source of income” category, it is unlawful to discriminate against applicants with housing subsidies. Under the Fair Criminal Screening for Housing Act of 2016, housing providers, who are covered by the law, may not ask anything related to criminal background before they have made a conditional offer of housing to the applicant. However, housing providers have a right to set financial and credit qualifications—a process that provides some assurance that the applicant will be a good tenant—so long as such qualifications and inquiries are applied equally to all applicants and are not influenced by race, national origin, sex, source of income or other protected factors. For more information, visit the [Office of Human Rights Fair Housing Program](#).

To assist you in securing a tenant, you may hire a real estate salesperson to

advertise the rental unit and conduct the application process for you. To assist you in managing your rental property on a day-to-day basis, you may hire a property manager. Be sure to hire a licensed professional. Real estate salespersons and property managers are licensed by the DC Real Estate Commission. To verify a license, [search for an occupational and professional license](#) and select the appropriate license type.





“Under the D.C. Human Rights Act of 1977, it is unlawful to discriminate against a particular group based on their race, gender, religion, age, marital status, family responsibilities, political affiliation, disability, source of income, and other categories listed in the law.”

Abatement Requirement, Re-Inspections, and Alternative Resolution Process

If your tenant contacts DCRA to file a complaint about housing code violations and request an inspection, DCRA will reach out to you as the landlord to notify you of the complaint and give you a time-limited opportunity to investigate and abate the violation before the inspection occurs.

If you receive a Proactive Inspection Report (PIR) or Notice of Infraction (NOI), you must abate the violation(s) noted in the PIR or NOI and [provide proof of the abatement to DCRA](#). If the abatement cannot be verified electronically, then a re-inspection will be scheduled, and you will be charged a \$90 re-inspection fee.

Once the abatement has been verified either through documentation or through a scheduled re-inspection, the DCRA Alternative Resolution Team (ART) will work with you to resolve the NOI, and the Proactive Inspection Program will work with you to resolve the PIR. The sooner the violations are abated, the greater possibility of a reduction in fines. If a settlement is reached, then the NOI is dismissed at the DC Office of Administrative Hearings (OAH), which adjudicates DCRA's enforcement actions.

Fees and Payments

- One-Family Rental License Fee – \$198.00

- Two-Family Rental License Fee – \$283.80
- DHCD RAD Registration – \$21.50 per unit (\$43.00 per unit upon biennial license renewal)
- Re-inspection Fee – \$90.00
- Proactive Program Fee (for 3 or more rental units) – \$35.00 per unit at license issuance and renewal
- LLC and Corporation Formation Fee (if applicable) – \$220.00
- Trade Name Registration Fee (if applicable) – \$55.00

DCRA's [Online Payment Portal](#) allows housing providers to pay for:

- fines and settlements;
- re-inspection fees;
- abatement special assessments;
- additional penalties incurred for failure to pay any of the above-mentioned fines or fees.

The Online Payment Portal also allows housing providers to complete and verify email contact information. It also accepts payments for Notices of Infractions (NOIs).

Under 14 DCMR § 200.7, all housing providers must have a valid credit card or bank account on file with DCRA that may be used exclusively to bill for re-



inspection fees and proactive inspection fees. The billing information must be kept current, with any changes provided within 30 business days.

Additional Tips

Services offered by utilities to landlords? Both PEPCO and Washington Gas offer services for landlords and property managers to provide for uninterrupted service between tenants, automatically placing billing in the owner's name after a tenant vacates the property without having to pay for start/stop service.

[PEPCO Property Management Portal](#)

[Washington Gas Account Services](#)

For DC Water service, tenants share the owner's existing account but can request a copy of the bill in the tenant's name with owner authorization.

[DC Water Start or Stop Service](#)

Need to make repairs but having tenant access issues? Register your unit in [DCRA's Housing Registry](#), and DCRA may be able to assist with arranging access for repairs prior to conducting a tenant-requested inspection.

Seeking to charge late fees? The [Late Fee Fairness Amendment Act](#) regulates late fees that landlords may charge tenants.

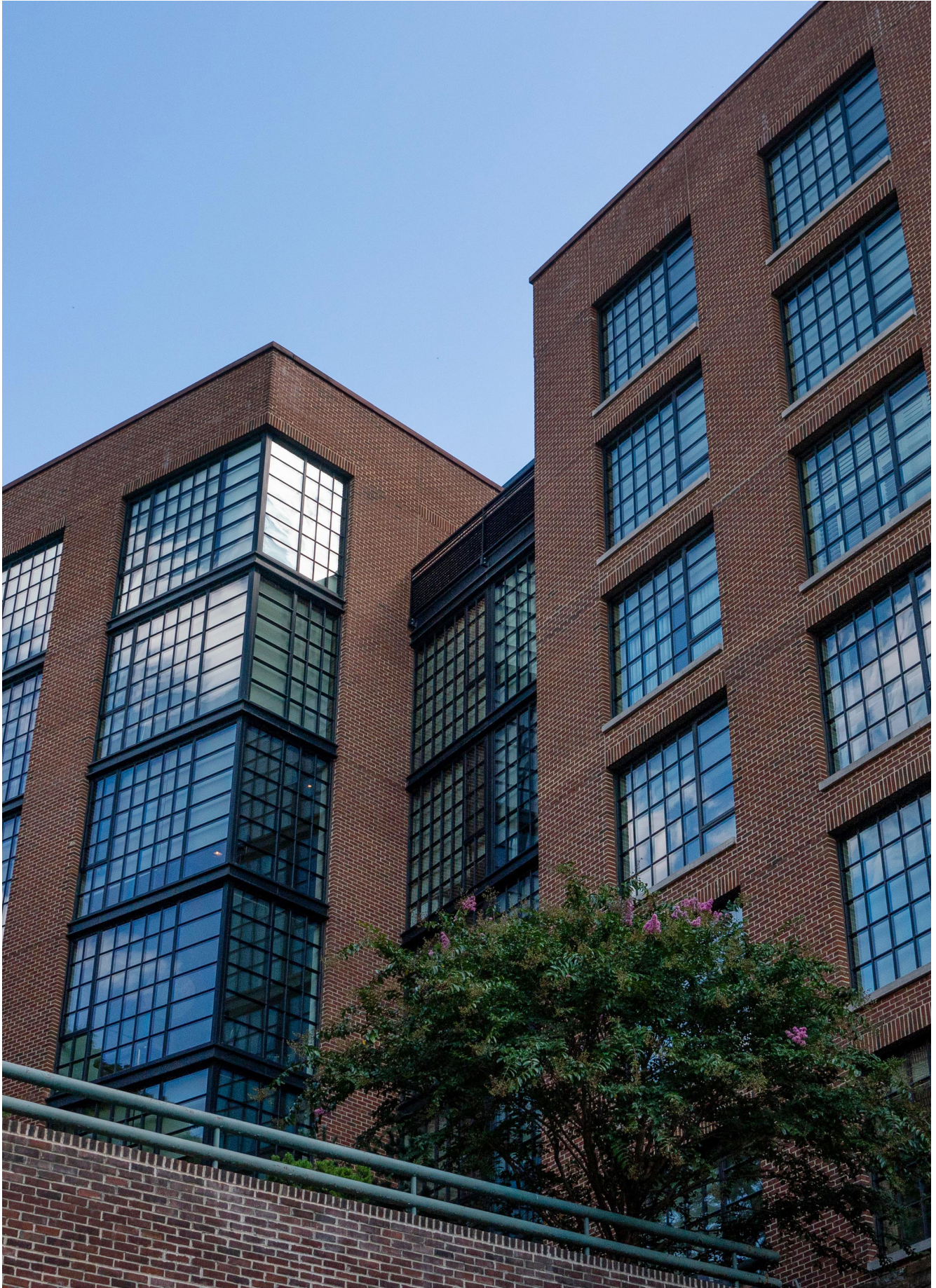
Seeking to raise the rent? The Rental Housing Act contains the District's

rent control laws, which are administered by the [DHCD Rental Accommodations Division \(RAD\)](#).

Seeking to withhold some or all of the security deposit? Security deposits, including accrued interest, must be returned within 45 days of the tenant vacating the property. If you plan to withhold any funds, you must provide the tenant with written notice and then provide the balance of the security deposit plus an itemized statement of each repair/use and its cost. If you want to withhold funds for repairs, you may only do so for specific items that are not "ordinary wear and tear."

Seeking to evict? Self-help evictions are illegal in DC. Changing locks, removing property, and cutting off utilities are all actions that can be considered wrongful eviction. Expiration of a lease is not grounds for eviction in DC. If a landlord-tenant relationship exists (no lease is required to establish such a relationship), then you must use the court process at DC Superior Court, Landlord and Tenant Branch to evict. Lawful grounds for eviction (e.g., non-payment of rent, lease violations, etc.) are set forth in the Rental Housing Act. See D.C. Code § 42-3505.01.

Seeking to sell your rental property? You must comply with the [Tenant Opportunity to Purchase Act \(TOPA\)](#) and, if they qualify, provide your tenant(s) with an opportunity to purchase for price and terms representing a bona fide offer of sale.



Where to Go Contact List

DCRA

- (202) 442-4400, dcra@dc.gov, www.dcra.dc.gov
- CorpOnline: corponline.dcra.dc.gov
- Schedule a Basic Business License inspection: dcra.dc.gov/node/1522341
- Provide proof of abatement: dcra.kustomer.help/contact/abatement-tracking-BJbZLthgw
- Online Payment Portal: govservices.dcra.dc.gov/paymentportal/Search
- Apply for a business license: mybusiness.dc.gov/login
- DCRA Housing Registry: accessdc.dcra.dc.gov/

DC Department of Housing and Community Development (DHCD)

- (202) 442-7200, dhcd@dc.gov, www.dhcd.dc.gov

DC Office of Human Rights

- (202) 727-4559, ohr@dc.gov, ohr.dc.gov/fairhousing
- Investigates and enforces local and federal fair housing laws.

DC Office of the Attorney General

- (202) 727-3400, OAGCivilRights@dc.gov, www.oag.dc.gov

PEPCO, Property Manager Portal, (202) 833-7500, www.pepco.com/MyAccount/MyService/Pages/PropertyManagerPortal.aspx

Washington Gas, Automatic Name Change Program (ANCP), (703) 750-4299, ANCP@washgas.com, www.washingtongas.com/my-account/account-services-support/available-services/service-appointment-options

DC Water, (202) 354-3600, custserv@dcwater.com, www.dewater.com/start-or-stop-service

D.C. Superior Court, Civil Division

- Landlord and Tenant Branch, (202) 879-4879, L&TOffice@dcsc.gov, www.dccourts.gov/services/civil-matters/landlord-tenant
- Small Claims and Conciliation Branch, (202) 879-1120, Smallclaimsdocket@dcsc.gov, www.dccourts.gov/services/civil-matters/requesting-10k-or-less

DC Bar Resource Centers, located in DC Superior Court, Building B, 510 4th Street, NW, room 208

- Landlord and Tenant Resource Center: open M-F 9:15am-12:00pm; provides free legal information to both unrepresented landlords and unrepresented tenants who have

residential housing disputes.

- Consumer Law Resource Center:
open Wednesdays 9:15am-12:00pm; (202) 780-2574, [www.dccourts.gov/sites/default/files/CLRC_Flyer%20\(1\).pdf](http://www.dccourts.gov/sites/default/files/CLRC_Flyer%20(1).pdf)
- Small Claims Resource Center:
open Thursdays 9:15am-12:00pm; (202) 849-3608, www.dccourts.gov/sites/default/files/SmallClaimsResourceCenterFlyer.pdf

DC Bar Pro Bono Center, online resource for housing law: www.LawHelp.org/dc/issues/housing

Landlord Tenant Legal Assistance Network, (202) 780-2575, Provides legal information to unrepresented landlords with 4 or fewer units. www.dccourts.gov/sites/default/files/matters-docs/LTLAN-Flyer-English_Spanish.pdf

DC Refers, directory and referral service of attorneys willing to take cases for a reduced fee: www.DCrefers.org.



*** WE ARE WASHINGTON *** GOVERNMENT OF THE DISTRICT OF COLUMBIA
DC MURIEL BOWSER, MAYOR

Department of Consumer and Regulatory Affairs
1100 4th Street SW
Washington, DC 20024
202.442.4400
dcra.dc.gov