

BERNSTEIN MANAGEMENT CORPORATION v. D.C. RENTAL HOUSING COMMISSION, 952 A. 2nd 190 (2008)

Court: D.C. Court of Appeals, opinion by Ruiz, J.

Judicial History: Managing agent petitioned for review of a decision of the Rental Housing Commission, affirming ruling of a rent administrator that agent violated the Rental Housing Act by charging excessive rent.

Facts: After landlord raised tenant's rent above the rent ceiling, tenant filed a petition for relief with the D.C. Rent Administrator. At the hearing, landlord admitted that he had raised the rent above the ceiling, but claimed that the rent was properly raised pursuant to an unimplemented rent ceiling adjustment that predated the ceiling imposed when tenant took possession. Landlord, however, presented no evidence to establish the existence of the claimed rent ceiling adjustment. The Rent Administrator found that the landlord had intentionally charged tenant rent in excess of the rent ceiling and awarded tenant treble damages in the amount of \$4,914 and imposed a civil fine of \$2,500 against landlord. Landlord filed a motion for reconsideration, which was denied. Petitioner next sought the Commission's review. The Commission issued its final decision and order affirming the Rent Administrator's ruling in all aspects, and landlord appealed.

Holdings: The Court of Appeals held that:

- 1.) Civil Infractions Act did not repeal the commission's authority to enforce regulations and impose fines;
- 2.) statute authorizing fines and damages was not void for arbitrariness; and
- 3.) there was substantial evidence in support of finding that agent acted willfully and in bad faith.

Reasoning:

- 1.) Authority of the rental administrator and the Rental Housing Commission to enforce administrative laws and impose civil fines was not implicitly repealed by the Civil Infractions Act, which authorized the Department of Consumer and Regulatory Affairs to enforce the regulations and impose fines; Civil Infractions Act merely provided for supplemental authority to enforce the Rental Housing Act.
- 2.) Rental Housing Act provision that authorized imposition of civil fines up to \$5,000 for infractions of the Act and treble damages was not void for arbitrariness; statute required that civil fine be imposed only for "willful" infractions and treble damages only in the event of "bad faith".
- 3.) There was substantial evidence in support of finding of rental administrator that managing agent acted willfully and in bad faith in overcharging tenant rent in excess of allowable ceiling, as required to impose civil fine of \$2,500 and award tenant treble damages of \$4,914; managing agent was sophisticated business that knew or should have known the rules regarding recapture of vacant unit rent adjustment, and agent continued to impose rent increases after such rent adjustment had expired.

Decision: Affirmed.