



Frequently Asked Questions for CB-055-2024: **Permanent Rent Stabilization Law**

The following FAQs provide information about CB-055-2024, the legislation that established the Permanent Rent Stabilization and Protection Act of 2024 (PRSA). The Act is effective as of September 15, 2024, and serves to amend the Landlord-Tenant Code to establish permanent protections for renters against excessive rent increases and generally stabilize rent prices throughout Prince George's County.

The County created a website that includes resources for landlords, tenants, and other interested parties regarding the PRSA. You can reach the Permanent Rent Stabilization and Protection Act (PRSA) website at the following link:

> https://www.princegeorgescountymd.gov/departments-offices/newsevents/news/permanent-rent-stabilization-and-protection-act-prsa

1. When was the law enacted?

The law was enacted on June 18, 2024, and is effective as of September 15, 2024. The law establishes permanent rent stabilization throughout Prince George's County.

2. How is this law enforced?

The legislation gives DPIE enforcement authority to enforce the PRSA, which includes the authority to impose fines for violations including penalties of \$1,000 for the first violation of the law, and up to \$5,000 for any subsequent violation(s).

3. I have a question about the law. Is there some way for me to send my question to the County for review?

Yes, the County created an email address where you can send your question: PRSAinfo@co.pg.md.us. The County makes every effort to respond to emailed guestions within five (5) business days.

- 4. I reside in an age-restricted senior housing facility. How much can my landlord increase my rent? Landlords at age-restricted senior housing facilities are permitted to increase the rent no more than the lesser of the Consumer Price Index for All Urban Consumers for the Washington-Arlington-Alexandria Area (CPI-U) or 4.5 percent (4.5%). The CPI-U effective during the time period of October 14, 2024, to June 30, 2025, requires that landlords may not increase rental rates more than 3.3 percent (3.3%) for residents at age-restricted senior housing facilities. The CPI-U effective during the time period of July 1, 2025, to June 30, 2026, requires that landlords may not increase rental rates more than 2.7 percent (2.7%) for residents at age-restricted senior housing facilities.
- 5. How much can my landlord increase my rent per year if I do not reside in an age-restricted senior housing facility?

Landlords at all other regulated units can increase your annual rent in an amount equal to the lesser of either the Consumer Price Index for All Urban Consumers for the Washington-Arlington-Alexandria Area (CPI-U) plus three percent (3%) of the base rent, or six percent (6%) of the base rent. The CPI-U is effective during the time period of October 17, 2024, to June 30, 2025, and requires that landlords may not increase rental rates more than six percent (6%) for all other regulated units except those residing in age-restricted senior housing facilities. The CPI-U is effective during the time period of July 1, 2025, to June 30, 2026, and requires that landlords may not increase rental rates more than 5.7 percent (5.7%) for all other regulated units, except those residing in age-restricted senior housing facilities.

6. What can I do as a tenant if I am charged more than the rent increase allowance on or after October 17, 2024?

If you believe that you are overcharged, you should first contact your landlord to discuss the increase in your rent. If it is not resolved, then contact PGC311 to report your complaint. You will need to provide documentation, including a copy of your lease, any notice of increased rent, or other pertinent information regarding your lease. Any additional information requested by DPIE must be promptly submitted. Until a Rent Stabilization Complaint is resolved and/or adjudicated, a tenant must continue to pay rent according to the lease.

7. Does this rent increase allowance apply only to current tenants?

No, the cap applies to tenants who are both currently residing in their units who are renewing their leases during the effective period, as well as prospective tenants, as long as the unit is eligible for rent stabilization. The law is unit-based, not tenant-based.

8. Does this law apply to municipalities?

The legislation applies County wide, including within the municipalities. Check with your municipality to determine whether they have additional rent stabilization laws.

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9. Does this law apply to month-to-month rental agreements?

The PRSA applies to units under a month-to-month rental agreement, including agreements that become month-to-month agreements after a fixed term.

10. If my rent includes utilities does the rental increase allowance apply?

It depends. The definition of "utilities included" should be defined in your lease agreement. Some leases may include the cost of the utilities in the rent, which may make them subject to the rent cap and other leases may just collect the utilities and pay them directly to the provider as a pass through. If the utilities are paid as a pass through, they are most likely not subject to the cap. Each lease or rental agreement will have to be reviewed when determining if the cap applies.

11. Does this apply to me if I rent a room in my house?

It depends on whether the room meets the definition of a dwelling unit pursuant to Section 13-138(a)(8) of the County Code. If a room qualifies as a dwelling unit, it may be a "regulated rental unit" under the PRSA unless one of the exemptions applies (See #16).

12. Are affordable housing units with recorded covenants exempt from the rental increase allowance?

A unit subject to a regulatory agreement (including a recorded covenant) with a governmental agency or an agreement with a third-party entity that restricts occupancy of the unit to low- and moderate-income tenants is exempt from the PRSA. For example, a unit that is subject to an affordability covenant under the Low-Income Housing Tax Credit program or Federal HOME program is exempt from the PRSA.

13. Are rent increases in market rate housing units occupied with tenants holding a housing voucher exempt from the rental increase allowance?

Yes. Rents in market rate units that are occupied by a tenant with a housing voucher are subject to the rental assistance agreement between the property owner and the federal government, a public housing authority or the State of Maryland. For these units, rent increases are governed by the existing rental assistance contract agreements.

14. Does the current law apply to occupants of co-op units?

The PRSA does not apply to any unit within or part of a building cooperative.

15. Does the law apply to those who reside in condominiums?

As long as the unit is owned by one or more individuals domiciled in Prince George's County, condominium units are exempt from the PRSA.

16. I live in a school dormitory. Am I exempt from the law?

Yes, residents of school dormitories are exempt from the PRSA.

17. What is the full list of residence and building types that are exempt from the law?

The following are exempt from the PRSA:

- A newly constructed unit whose construction was completed on or after January 1, 2000;
- A unit in a licensed facility if the primary purpose of the facility is the diagnosis, cure, mitigation, and treatment of illnesses:
- A unit in a facility owned or leased by a 501(c)(3) IRS tax-exempt organization if the primary purpose of the organization is to provide temporary shelter to qualified clients;
- Owner-occupied group homes;
- Religious facilities, including churches, synagogues, parsonages, rectories, convents, and parish homes;
- Hotels/motels that only serve transient residents;
- Licensed assisted living facilities or nursing homes;
- A building originally designed and constructed to contain only two dwelling units, as long as the owner resides in one of the units as their primary residence (domicile)
- Accessory dwelling units
- Units subject to a regulatory agreement with a governmental agency or an agreement with a third-party entity that restricts occupancy of the unit to low- and moderate-income tenants
- A rental unit owned by a landlord who owns five (5) or fewer rental units within Prince George's County if the landlord is (1) a natural person or a living trust of a natural person, or (2) the trust or estate of a decedent
- A condominium unit owned by one or more persons domiciled in Prince George's County
- Any unit within or part of a building cooperative

18. Do I have to apply for an exemption?

The PRSA creates a category of "regulated rental units" that are subject to the cap. Units that are included in one of the exemptions in Section 13-147 are not considered to be regulated rental units and, therefore, are not subject to the cap. Because of that, there is no need to separately apply for an exemption.

19. Can my exemption from the PRSA expire?

A unit is only exempt for as long as the conditions that place it inside of the exemption still apply. If at any point the conditions cease or no longer exist, that unit would become a "regulated rental unit" and would be subject to the cap. For example, a unit that is part of a building cooperative is an unregulated rental unit and is not subject to the cap. However, if the cooperative converts to a different type of multi-family community, that unit would no longer be exempt and would become a "regulated rental unit."

20. How is the January 1, 2000, completion date measured? Is it based on when the certificate of occupancy is issued?

For the purposes of the PRSA, the "completion date" is the date that the initial Use and Occupancy Permit for the property was issued. This is true even if different units in a community were physically completed at different times. The issuance date of the initial Use and Occupancy Permit would still control.

21. What if a landlord does not have a copy of the certificate of occupancy? Does an owner need a replacement copy to claim the exemption?

Yes, a building landlord and/or owner must always have a copy of the certificate of occupancy for each building and/or residence in their portfolio. No affirmative action on the part of a landlord/property owner is needed to claim exemption status, as long as the unit/building is compliant with the requirements of the law.

New FAQs as of May 2025

22. How and when does the PRSA Rent Increase Allowance get adopted every year?

In April 2025, DPIE adopted a policy for establishing the annual Rent Increase Allowance. This policy is available on the PRSA website. To summarize, DPIE is required by the PRSA to publish a new Rent Increase Allowance by May 1 every year, with the new allowance taking effect for the upcoming July 1 to June 30 time period. DPIE uses the Consumer Price Index for Urban Areas (CPI-U) for All Urban Consumers for the Washington-Arlington-Alexandria area as published by the U.S. Bureau of Labor Statistics (BLS). DPIE uses the January CPI-U figure, which the BLS typically publishes in late February every year, to allow sufficient time to meet the May 1 deadline.

23. When will the Regulations for the PRSA be finalized and take effect?

The PRSA requires that regulations are to be adopted and published on the PRSA website by January 1, 2026, and to take effect no later than February 1, 2026. To meet these deadlines, DPIE intends to publish an informal draft of the regulations on the PRSA website for public comment at least 60 days before January 1, 2026.

Certain provisions of the PRSA took effect when the law passed in October 2024. Most notably, the exemptions from the PRSA and the Rental Increase Allowance provisions took effect immediately. Other aspects of the PRSA, such as Fair Return, Capital Improvement Surcharges, and Rent Banking, do not take effect until the regulations are in effect.

24. When will the provisions in the PRSA regarding Rent Banking, Capital Improvement Surcharges, and Fair Return take effect?

These provisions of the PRSA do not go into force until the PRSA regulations take effect on February 1, 2026.

25. I am a landlord who renovated my property that includes regulated units. Am I eligible to request an exemption from the PRSA for units that were renovated?

Maybe. The PRSA includes a provision that allows for an exemption for certain properties that completed a substantial renovation on or after January 1, 2000. The substantial renovation provision does not go into effect until the County adopts regulations on February 1, 2026. DPIE is drafting the regulations and related policies and procedures for the PRSA and will be seeking public comment and input on this provision of the law. Please continue to check the <u>Permanent Rent Stabilization and Protection Act (PRSA)</u> web page for updates or draft policies and regulations.

26. I own a single-family residence and rent it to a tenant. Does the PRSA apply?

Maybe. If you own the property through an LLC or corporate entity, the PRSA applies. However, it does not apply if you own five (5) or fewer rental units and the units are owned by either 1) a natural person or a living trust of a natural person; or 2) the trust or estate of a decedent.

27. I live in Prince George's County and own 12 separate residential condominium units that I rent out. Does the PRSA apply?

Maybe. If you live in Prince George's County and own all the units in your own name (not through a corporate entity such as an LLC), the units are all exempt from the PRSA. If, however, you do not live in Prince George's County, the PRSA applies regardless of whether you own the units in your name or through a corporation. In addition, even if you live in Prince George's County, if you own the units through a corporate entity (such as an LLC), the PRSA applies.

28. Are there any limitations on the fees that a landlord can charge in addition to rental charges for regulated units under the PRSA?

Yes. DPIE issued a draft policy on the <u>Permanent Rent Stabilization and Protection Act (PRSA)</u> web page for public comment regarding the limitation on fees that can be charged for regulated units. DPIE will consider all comments received and adopt a policy regarding fee limitations. This policy will go into effect when the County adopts the PRSA regulations on February 1, 2026.

29. Can my landlord increase the rent more than one time in a 12-month period for a regulated unit under the PRSA?

No. There is only one rent increase allowed per 12-month period for regulated units.

30. Does the PRSA apply if I am a tenant with a month-to-month lease?

Yes, if you live in a unit regulated by PRSA and you are on a month-to-month lease, the PRSA limits on rent increases apply.

31. Are there any reporting requirements or obligations that a landlord must follow for a property that includes regulated unit(s) under the PRSA?

Yes. Beginning in 2026, the PRSA requires the submission of a report by September 30th every year that provides information regarding regulated units, rents, and notices of rent increases for the preceding July 1 through June 30 time period. For example, by September 30, 2026, landlords will be required to submit a report to DPIE for the July 1, 2025, through June 30, 2026, time period. DPIE will be providing more information regarding this reporting requirement prior to February 1, 2026. There is no reporting requirement during calendar year 2025.

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