

FAQs for CB-007-2023 and CB-51-2023

The following FAQs provide information about CB-007-2023, the legislation that established the Rent Stabilization Act of 2023. The Act serves to amend the Landlord-Tenant Code to limit landlords' ability to increase rent for tenants above 3 percent over a 12-month period.

1. When was the law enacted and when does it expire?

The law was enacted on February 28, 2023. It takes effect on April 17, 2023. It will expire on April 16, 2024.

2. How is this law enforced?

The legislation gives DPIE enforcement authority and the DPIE Director authorization to work with the municipalities' governing bodies to administer the law. The law is enforced through the civil enforcement process.

3. How do I know if my unit is subsidized or has a covenant on it?

The voucher will show that the unit is subsidized. The management company and the tenant will know that the unit is subsidized. The management company should be able to provide all the information.

4. What can I do as a tenant if I am charged over the 3 percent on or after April 17, 2023?

If you believe that you are overcharged, you should first contact your landlord to discuss the increased rent. If it is not resolved, then contact PGC311 to report your complaint. You will need to provide a copy of your lease, the rental increase notice and any other relevant documents if the unit is subsidized to DPIE when requested.

5. Does this 3 percent rent cap apply only to current tenants?

Yes, the cap applies to tenants who are currently residing in their units who are renewing their leases during the effective period.

6. Are senior and student housing exempt from the law?

Senior housing and student housing units are not exempt from the law.

7. Does this law apply to municipalities?

The legislation applies County wide, including within the municipalities. The municipalities, including Laurel, Takoma Park and the City of Mount Rainier, may be more restrictive but not less restrictive than the legislation.

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8. Does this law apply to month-to-month rental agreements? How would this work?
The law applies to landlords who use month-to-month rental agreements or agreements/contracts to become month-to-month agreements after a fixed term. The rent increase limitation is applied annually. Any rent increase for the effective period of the legislation could not exceed 3 percent annually of a tenant's existing rent amount. A tenant's monthly rent as of that date would be used to determine the total rent obligation for the next 12 months.
9. What happens if I get a rent increase before the enactment date?
Rent can be increased before April 17, 2023.
10. If my rent includes utilities does the 3% cap 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 3% cap applies.
11. Does this apply to me if I rent my home?
Yes, if you are renting your home the 3% cap applies.
12. Does this apply to me if I rent a room in my house?
It depends. If a tenant rents a single room, it does not apply because it does not meet the definition of a dwelling unit pursuant to Prince George's County Code. However, the 3% cap may apply if multiple individuals are collectively renting one dwelling unit even though they have separate rooms and share the cooking, living and sanitary space in the unit.
13. Are affordable housing units with recorded covenants exempt from the 3% rent increase cap?
No. Affordable housing units with recorded covenants are not exempt from the 3% cap unless they are also supported by a project-based rental assistance agreement between the property owner and the federal government, a public housing authority, or the State of Maryland. For project-based assisted units, rent increases are governed by the existing contract agreements.
14. Are rent increases in affordable housing units with recorded covenants occupied with tenants holding a tenant voucher exempt from the 3% rent increase cap?
Yes. Rents in affordable housing units with recorded covenants that are occupied by a tenant with a tenant 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.

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15. *Are rent increases in market rate housing units occupied with tenants holding a tenant voucher exempt from the 3% rent increase cap?*

Yes. Rents in market rate units that are occupied by a tenant with a tenant 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.

16. *Will Prince George's County DHCD review applications for exemption from the 3% rent increase cap for any dwelling unit governed by a Federal, State or County agreement that subsidizes the tenant's rent and that agreement remain in effect during the tenure of this Act?*

If a landlord maintains documentation until one year after the expiration of this Act and agrees to provide if requested that a dwelling unit is governed by a Federal, State or County agreement that subsidizes the tenant's rent, DHCD will accept the approval of rent increase by the landlord as meeting the requirements for an exemption under the Act. No additional action, review, or approval will be required. Property owners and tenants of such dwelling units should follow pertinent regulatory process per the existing rental assistance contract agreements in effect between the property owner and the agency offering the rental assistance to the tenant.