



PRINCE GEORGE'S COUNTY **EXECUTIVE REGULATION**

<u>Subject</u>	<u>Number</u>
Permanent Rent Stabilization and Protection Act of 2024	Council Bill 55-2024
<u>Originating Department</u>	<u>Effective Date</u>
Department of Permitting, Inspections and Enforcement	February 1, 2026

Prince George's County Regulations: Permanent Rent Stabilization and Protection Act of 2024

Issued by: County Executive
Department of Permitting, Inspections and Enforcement

County Council Bill: 055-2024

County Code Reference: Subtitle 13. Housing and Property Standards
Sections 13-138, 13-144, 13-145, 13-146, and 13-147

Summary: For the purpose of establishing permanent protections for
renters against excessive rent increases and generally
stabilizing rent prices in Prince George's County, subject to
certain conditions.

Comment Deadline: December 5, 2025

Effective Date: February 1, 2026

Sunset Date: None

Address: Department of Permitting, Inspections and Enforcement
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13.138.00 — Definitions

(a) For the purposes of this Chapter:

Age-Restricted Senior Housing shall mean any senior facility and/or building that has an age restriction of fifty-five (55) years and older for a lease to live in the facility and/or building.

Annual Rent Increase Allowance shall mean the allowable rent increase for a regulated unit calculated in accordance with Regulation 13.144.00 and the associated administrative policies and procedures.

Banked Amount means the dollar amount of an annual rent increase allowance that a landlord did not use to increase the rent for a regulated unit.

Base Rent means rent charged for a regulated rental unit under a lease, exclusive of any rental discounts, incentives, concessions, or credits that are:

- (A) offered by the landlord;
- (B) accepted by the tenant; and
- (C) itemized in the lease separate from the rent.

Capital Improvements mean permanent structural alterations to a regulated unit intended to enhance the value of the unit. **Capital improvements** include replacement of major systems, or structural alterations required under federal, state, or County law. **Capital improvements** do not include ordinary repair or maintenance of existing structures.

County Code means the applicable laws referenced in Prince George's County Code of Ordinances and any relevant amendments.

CPI-U means the Consumer Price Index for All Urban Consumers for the Washington–Arlington–Alexandria Area, published by the U.S. Bureau of Labor Statistics, as adopted and published by the Director from time to time.

Common Area shall mean all areas and facilities within the facility and/or building that are not designated by landlord or Property Manager for the exclusive use of tenant or any other lessee or other occupant of the facility and/or building, to include the parking areas, access and perimeter roads, pedestrian sidewalks, landscaped areas, trash enclosures, recreation areas, and the like.



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Days shall mean calendar days unless otherwise specified.

DHCD means the Prince George's County Department of Housing and Community Development.

Director shall mean the Director of the Prince George's County Department of Permitting, Inspections and Enforcement or designee.

DPIE means the Prince George's County Department of Permitting, Inspections and Enforcement.

Defective Tenancy shall mean any condition in a single-family rental facility or a multifamily rental facility or matter related to its maintenance, use, or occupancy which constitutes a violation of the terms of the lease or any provision of this Division, or constitutes a violation of any applicable Federal, State, County, or municipal law, regulation, or code reasonably related to the maintenance, use, or occupancy of the single-family rental facility or the multifamily rental facility.

Dwelling Unit shall mean one (1) or more rooms arranged for the use of one (1) or more individuals living together as a single housekeeping unit, with cooking, living, sanitary, and sleeping facilities as defined by the County Housing Code.

Exempt Unit shall mean a rental unit that is exempt from the requirements of this Chapter in accordance with Regulation 13.147.00 and the associated administrative policies and procedures. Therefore, this unit is not regulated by the provisions in the Permanent Rent Stabilization Act.

Fair Return shall mean a return on investment calculated in accordance with Regulation 13.146.00 and the associated administrative policies and procedures.

High Occupancy Dwelling Facility shall mean any apartment building or group of buildings on the same parcel, lot, tract, block of land, or group of buildings having the same name comprising more than one hundred (100) Dwelling Units that have one or more owners in common.

Landlord shall mean the legal and equitable owner(s) of a property, or any portion thereof, used or to be used as a single-family rental facility or a multifamily rental facility and shall include, without limitation, a mortgagee, vendee, contract purchaser, assignee of rents, receiver, trustee, executor, personal representative, lessee, or any person, firm, or corporation who manages the multifamily rental facility by contractual agreement with the owner.



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Lease shall mean any written agreement which establishes or modifies the terms, conditions, rules, regulations, or any other provisions concerning the maintenance, use, and occupancy of a rental dwelling unit.

Multifamily Dwelling means a building containing four or more dwelling units. Units may be located side by side in a horizontal configuration or stacked one above the other in a vertical configuration, sharing common vertical walls or horizontal floors and ceilings. **Multifamily dwelling** does not include single-family attached or detached houses.

Multifamily Rental Facility shall mean any building, structure, or combination of related buildings, structures, and appurtenances, operated as a single entity, housing cooperative ("COOP"), or a condominium, in which the landlord provides for a consideration three (3) or more rental dwelling units; but shall not be construed to mean any transient facilities such as boarding houses, tourist homes, inns, motels, hotels, school dormitories, hospitals or medical facilities, any other facilities operated for religious or eleemosynary purposes, continuing care facilities regulated by the State pursuant to Article 70B of the Maryland Annotated Code, and projects authorized under 10 U.S.C. 2828, which allows the U.S. Government to lease housing facilities at or near a military installation for assignment, without rental charge, as family housing for members of the Armed Forces.

Notice shall mean a written notice unless otherwise specified.

OCR means the Office of Community Relations of Prince George's County.

Property Manager shall mean an individual or company that has been retained to perform and carry out the following, including but not limited to:

- (A) property rentals by advertising and filling vacancies, negotiating and enforcing leases, and maintaining and securing premises;
- (B) establishing rental rate(s) by and calculating overhead costs, depreciation, taxes, and profit goals;
- (C) attracting tenants by advertising vacancies, obtaining referrals from current tenants, explaining advantages of location and services, and showing units;
- (D) contracting with tenants by negotiating leases and collecting security deposit(s);
- (E) accomplishing financial objectives by collecting rents, paying bills, forecasting requirements, preparing budget(s), scheduling expenditures, analyzing variances, and initiating corrective action;



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- (F) maintaining property by investigating and resolving tenant complaints, enforcing rules of occupancy, inspecting vacant units and completing repairs, planning renovations, contracting with landscaping and snow removal services;
- (G) maintaining building systems with maintenance services and supervising repairs;
- (H) securing property with security patrol service, installing and maintaining security devices, establishing and enforcing precautionary policies and procedures, and responding to emergencies; or
- (I) enforces occupancy policies and procedures.

Regulated Rental Unit or Regulated Unit means a rental unit that is not exempted under Regulation 13.147.00.

Security Measures and Security Equipment shall mean in multifamily rental housing to include, but is not limited to, the maintenance of garages and parking lots, security gates, entryway locks, lighting, security cameras, alarm systems, fencing and any measures designed to keep common areas of the leased premises under the landlord's control in operable condition.

Senior Lessee shall mean a person at least fifty-five (55) years of age at the time the lease or renewal is offered.

Single-Family Rental Facility shall mean any building, structure, or combination of related buildings, structures, and appurtenances operated as a single entity or a condominium, in which the landlord provides, for a consideration, one or more rental dwelling units not licensable under the Multifamily Rental Facility provisions; but shall not be construed to mean any transient facilities such as boarding houses, tourist homes, inns, motels, hotels, school dormitories, hospitals or medical facilities, or any other facilities operated for religious or eleemosynary purposes, and projects authorized under 10 U.S.C. 2828, which allows the U.S. Government to lease housing facilities at or near a military installation for assignment, without rental charge, as family housing for members of the Armed Forces.

State of Emergency shall mean the definition provided in [Section 14-107](#) or [Section 14-111](#) of the Public Safety Article of the Maryland Annotated Code.

Substantial Renovation means permanent alterations to a building that:

- (A) are intended to enhance the value of the building; and



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- (B) cost an amount equal to at least 40 percent of the value of the building, as assessed by the State Department of Assessments and Taxation.

Tenant shall mean any person who occupies a rental unit for living or dwelling purposes.

13.144.00 — Annual rent increase allowance

- (A) Annual rent increase allowance. In accordance with administrative policies and procedures adopted by DPIE, the Director annually shall calculate a rent increase allowance for regulated rental units applicable to rental lease renewals equal to the lesser of:
- (1) CPI-U plus 3 percent; or
 - (2) 6 percent.
 - (3) Notwithstanding the provisions of Subsections (1) and (2) above, the rent increase allowance for a regulated unit in an age-restricted senior housing facility with a twelve (12) or twenty-four (24) month lease may not exceed the lesser of the CPI-U or 4.5 percent.
- (B) Duration. A rent increase allowance under Section (A) above remains in effect for a 12-month period, beginning July 1st of each year and ending on June 30th of the following year.
- (C) By May 1st of each year, DPIE shall provide notice to the public of the annual rent increase allowance under Section (A) above, in a manner as determined by the Director, that will become effective on July 1st of that year.

13.145.00 — Rent increases — in general; vacant units; limited surcharges for capital improvements

- (A) Except as provided under Section (B), below, upon a lease renewal or execution of a new lease, a landlord shall not increase the rent of a regulated rental unit to an amount greater than:
- (1) the base rent; plus
 - (2) the rent increase allowance under Regulation 13.144.00; plus
 - (3) any banked amount determined by the Director in accordance with administrative policies and procedures adopted by DPIE, which amount shall compensate the County for any costs associated with such determination; and



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(4) does not exceed 10 percent of the base rent.

For new leases executed for a regulated rental unit which became vacant after October 17, 2024, the base rent on the date the unit became vacant must be used to calculate the rent increase.

- (B) Limited surcharge for capital improvements. Subject to Section (C), below, the Director may, in accordance with administrative policies and procedures adopted by DPIE, grant a landlord's petition to add a surcharge to the amount permitted under Section (A), above.
- (1) the surcharge is limited to an amount necessary to cover the costs of capital improvements to the regulated unit, excluding the costs of ordinary repair and maintenance;
 - (2) the surcharge does not take effect until after the capital improvements are completed;
 - (3) if the capital improvements are for all rental units within the building, the surcharge:
 - (a) is divided equally among the units;
 - (b) is prorated over at least 96 months; and
 - (c) does not exceed 20 percent of the base rent;
 - (4) if the capital improvements apply only to certain regulated rental units within the building, the surcharge:
 - (a) is divided equally among the affected units;
 - (b) is prorated over at least 60 months; and
 - (c) does not exceed 15 percent of the base rent;
 - (5) the surcharge for each unit ends once the costs of the capital improvements, including any interest and service charges, have been recovered by the landlord;
 - (6) the capital improvements would protect or enhance the health, safety, and security of the tenants or the habitability of the rental housing, provided that the purpose of the capital improvements cannot be to address code or other habitability violations. Notwithstanding the foregoing, a new owner may apply to the Director for a waiver to authorize the inclusion of a limited surcharge for such improvements in a format determined by the Director and in accordance with administrative policies and procedures adopted by DPIE;
 - (7) if the capital improvements would result in energy cost savings:
 - (a) the savings are passed on to the tenant; and either:



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- (i) the improvements would result in net savings in the use of energy in the building; or
- (ii) the improvements are intended to comply with applicable law;
- (8) the capital improvements are depreciable under the Federal Internal Revenue Code;
- (9) the applicant has certified to the Director the costs of the capital improvements, including any interest and service charge;
- (10) the applicant has certified to the Director that the required governmental permits and approvals have been granted; and
- (11) the applicant shall fully compensate the County for any costs the Director determines are associated with determining whether the applicant meets the requirements of this Section.

(C) Surcharge

- (1) A landlord must maintain and must make available to a tenant with an active lease for a regulated rental unit or the Director upon request, all plans, contracts, specifications, and permits related to any capital improvements for which a surcharge has been granted.
- (2) Immediately upon the completion of capital improvements, a landlord must allow the return to a regulated rental unit of any tenant with an active lease for the regulated rental unit who was displaced due to the improvements.

13.146.00 — Fair return

- (A) Fair return rent increase. In accordance with administrative policies and procedures adopted by DPIE:
 - (1) a landlord may apply to the Director to increase rent for a regulated unit in an amount that exceeds the annual rent increase allowance prescribed in Regulation 13.144.00; and
 - (2) the Director shall grant the application if the Director finds that the increase is necessary for the landlord to obtain a fair return on the regulated unit; provided that the applicant fully compensates the County for any costs the Director determines are associated with determining whether the applicant meets the requirements of this Regulation.
- (B) For purposes of this Regulation and in accordance with administrative policies and



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procedures adopted by DPIE, fair return means a return on investment:

- (1) sufficient to offset operating expenses; and
- (2) commensurate with returns on investments in other enterprises having comparable risks, which is deemed commensurate if an investment's actual annual return (defined as Net Operating Income divided by Cost Basis) is at least the sum of the actual average 10-year United States Treasury Rate for the annual return period, plus 3%.

(C) DPIE shall adopt administrative policies and procedures establishing:

- (1) a formula to determine the rent increase necessary to obtain a fair return for a regulated unit;
- (2) application requirements, including the information an applicant must submit to demonstrate the rent necessary to obtain a fair return;
- (3) a uniform system and procedures for processing fair return applications;
- (4) criteria the Director must use to evaluate and to grant or deny a fair return application; and
- (5) the duration of a rent increase approved under this Regulation.

13.147.00 — Exempt rental units

(A) Exemptions. The requirements of these Regulations do not apply to:

- (1) Newly constructed unit whose construction was completed on or after January 1, 2000;
- (2) Unit in a licensed facility, the primary purpose of which is the diagnosis, cure, mitigation, and treatment of illnesses;
- (3) Unit in a facility owned or leased by an organization exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code if the primary purpose of the organization is to provide temporary shelter for qualified clients;
- (4) An owner-occupied group house;
- (5) A religious facility, including a church, synagogue, parsonage, rectory, convent, and parish home;
- (6) A hotel or motel only serving transient residents;
- (7) A school dormitory;



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- (8) A licensed assisted living facility or nursing home;
 - (9) A building originally designed and constructed to contain only 2 dwelling units, one of which the owner currently occupies as a principal residence (domicile);
 - (10) An accessory dwelling unit;
 - (11) A unit 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;
 - (12) Subject to administrative policies and procedures adopted by DPIE, a unit located within a substantially renovated building, if:
 - (a) the substantial renovation was or is completed on or after January 1, 2000; and
 - (b) the building is not in violation of Subtitles 4 or 13 of the Prince George's County Code;
 - (13) A rental unit owned by a landlord who:
 - (a) owns 5 or fewer rental units within the County; and
 - (b) is either:
 - (i) a natural person or the living trust of a natural person; or
 - (ii) the trust or estate of a decedent;
 - (14) A condominium unit owned by one or more individuals domiciled in Prince George's County; and
 - (15) Any unit within or a part of a building cooperative.
- (B) Expiration of exemption. An exemption under Subsection (A), above, expires when the conditions entitling the unit or facility to an exemption cease or no longer exist.

13.147.01 — Fees

- (A) Fee schedule. In accordance with administrative policies and procedures adopted by DPIE, a schedule may be adopted that places limits on the fees for services and amenities that a landlord may charge a tenant occupying a regulated rental unit during the term of a lease.

13.147.02 — Rent stabilization data collection

- (A) On or before September 30th of each year beginning on September 30, 2026, a landlord shall submit to DPIE a report for the preceding 12-month period, beginning July 1st and



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ending on June 30th, regarding regulated rental units, rents, and notices of rent increases.

- (B) The landlord shall submit the report in the form and manner in accordance with administrative policies and procedures adopted by DPIE.
- (C) Failure to submit the report by September 30th of each year may result in the suspension of the rental license.

13.147.03 — Information and Enforcement

- (A) On an ongoing basis, DPIE shall provide information about the requirements of the Permanent Rent Stabilization Act on its websites, including, but not limited to, informing landlords, tenants, and the general public about the types of units subject to the PRSA Act and units that are exempt from some or all of its provisions, petitions for capital improvements, substantial renovations, and fair return relief.
- (B) On an annual basis, DPIE shall email and post notice of the per annum limits on rent increases prescribed in Regulation 13.144.00 within fifteen (15) days of the July 1st effective date.
- (C) DPIE shall exercise the enforcement authority provided pursuant to Section 13-102 of Subtitle 13 of the Prince George's County Code, and Section 1-123 of Subtitle 1 of the Prince George's County Code:
 - (1) This enforcement authority shall include the authority to impose fines for violations of the provisions of Subtitle 13 of the County Code and this Chapter, including:
 - (a) The authority to impose a penalty in the amount of \$1,000 for the first violation of the PRSA Act; and
 - (b) The authority to impose a penalty of an amount up to \$5,000 for any subsequent violations of the PRSA Act; and
 - (c) Any penalty collected shall be evenly distributed between the Prince George's County Rental Assistance Program and DPIE.