PERMANENT RENT STABILIZATION AND PROTECTION ACT OF 2024
County Council of Prince George's County, Maryland
Bill 055-2024

RENT BANKING POLICY

Section I — Introduction

The following are the policies adopted by the Department of Permitting, Inspections and Enforcement (DPIE) to implement Regulation 13.145.00(A) — Rent Banking of the Permanent Rent Stabilization and Protection Act of 2024 (PRSA).

PRSA was enacted by County Council Bill 055-2024 and is incorporated in Sections 13-138, 13-144, 13-145, 13-146, and 13-147 of the Prince George's County Code. Regulations for the PRSA are effective as of February 1, 2026.

Section II — Overview

This policy is applicable to regulated rental units subject to the PRSA.

For background purposes, regulated rental units are subject to limitations on annual rent increases, which are more fully detailed in the Annual Rent Increase Allowance Policy at the link below.

Permanent Rent Stabilization and Protection Act (PRSA)

As noted in Section III(c) of the Annual Rent Increase Allowance Policy, the PRSA provides an exception to the annual limits on rent increases for Rent Banking, the subject of this Policy.

Rent Banking permits an Owner/Landlord to increase the rent for a regulated rental unit by an amount that exceeds the annually published limitations **if** the Owner/Landlord can demonstrate that the rent increase in a prior year was less than the amount allowed during that particular year. To adequately justify the use of Rent Banking for regulated rental units, the Owner/Landlord must maintain documentation as described below in Section III.

The amount of the allowable annual rent increase that an Owner/Landlord does **NOT** use to increase the rent for a regulated unit is known as the Banked Amount.

For example, if an Owner/Landlord was allowed under the PRSA to increase the rent for a regulated rental unit by $100 during a particular year, but increased the rent by $75, then the difference (i.e., $100 minus $75, or $25) could potentially be added to the rent increase in a subsequent year. In this example, the Banked Amount is $25.

Banked Amounts are calculated the same for vacant units as for occupied units.

Banked Amounts may accumulate over a multiple-year period for a regulated rental unit. The use of Rent Banking is only permitted beginning as of the enactment of PRSA on October 17, 2024. Banked Amounts are specific to each regulated rental unit, and are therefore transferable if the underlying property changes ownership.

An Owner/Landlord must maintain adequate documentation to justify the use of Rent Banking for as long as a Banked Amount is being applied to increase the rent for a regulated rental unit by an amount that exceeds the annually published limitation. Therefore, the use of Rent Banking by an Owner/Landlord may require maintaining documentation for multiple years for each regulated rental unit.

Owner/Landlords may apply all or a portion of the Banked Amount to increase the rent for a regulated unit above the annual rent increase allowance, up to a maximum rent increase of 10% per year.

Owner/Landlords do not need prior approval from DPIE to apply all or a portion of the Banked Amount to increase the rent of a regulated unit.

As more fully described below in Section III, Owner/Landlords are required to keep detailed records to support the use of Rent Banking for regulated units, which must be made available for review by DPIE upon request.

Section III — Maintaining Records of the Banked Amount for a Regulated Rental Unit

DPIE requires Owner/Landlords to keep detailed records of the Banked Amount for each regulated rental unit. By keeping these records, Owner/Landlords will be able to provide DPIE with justification for rent increases for regulated rental units that exceed the amount permitted under the Annual Rent Increase Allowance Policy. These records may be requested by DPIE from time to time, primarily in the event that DPIE receives a complaint from a tenant residing in a regulated unit. Failure by an Owner/Landlord to provide sufficient documentation/evidence to DPIE may result in a denial of a rent increase, the requirement to refund to a tenant unauthorized rent increases, or a civil citation and/or fine.

DPIE published an Excel Workbook that provides Owner/Landlords with a method for accurately calculating the Banked Amount that may be applied to an annual rent increase for a regulated rental unit. This workbook is for the Owner/Landlord's use; however, DPIE maintains the ability to challenge, accept, or reject the documentation contained in the workbook. The Excel Workbook is available at the following link:

Permanent Rent Stabilization and Protection Act (PRSA)

If an Owner/Landlord anticipates using Rent Banking to justify rent increases for regulated rental units, the Owner/Landlord is required to keep this Workbook up to date and provide it to DPIE within 48 hours of DPIE's request. Owner/Landlords must maintain adequate back-up documentation for each regulated rental unit to support the use of Rent Banking. Documentation includes leases, notices to tenants of rent increases, and other relevant records.

At any time, DPIE may request back-up documentation to support any rent increase that relies on Rent Banking. An Owner/Landlord must produce the required documentation within 48 hours of the request or when a complaint has been filed by a tenant. For example, if an inquiry is made by a tenant regarding a rent increase at a regulated rental unit, DPIE may request a completed Workbook and supporting documentation. Failure by an Owner/Landlord to provide sufficient documentation/evidence to DPIE may result in a denial of a rent increase, the requirement to refund to a tenant unauthorized rent increases, or a civil citation and/or fine.

As noted above in Section II, Owner/Landlords do not need to submit documentation or secure prior approval from DPIE to apply all or a portion of the Banked Amount to increase the rent of a regulated unit.

DPIE will require Owner/Landlords to certify that they are maintaining adequate documentation to support the use of Rent Banking in regulated units as part of the annual reporting required by PRSA.

Section IV — Limitation on Rent Increases When Using Rent Banking

Pursuant to PRSA, in no event may the rent for a regulated rental unit be increased by more than 10% in a 12-month period as a result of the use of a Banked Amount. This limitation applies to all leases, including those that are month-to-month.

Section V — DPIE Fees for Rent Banking

DPIE will charge a fee to review supporting documentation for the use of Rent Banking. The fee is detailed at:

https://momentumhome.princegeorgescountymd.gov/fee-schedule/.

Additional penalties may be assessed to an Owner/Landlord (including the requirement to refund unauthorized rent increases, or a civil citation and/or fines) if DPIE's review determines that Rent Banking has been improperly applied.

At DPIE's sole discretion, this fee may be waived if the review of Rent Banking is a result of a tenant complaint and it is determined that the Owner/Landlord is in full compliance with this Rent Banking policy.

DPIE will accept requests from an Owner/Landlord to certify the prior use of Rent Banking for a regulated rental unit(s) if required for refinancing or acquisition of the property. The acceptance of a request for Rent Banking certification is subject to DPIE's sole discretion and is subject to the fee detailed at:

https://momentumhome.princegeorgescountymd.gov/fee-schedule/

DPIE will require a minimum of 90 days to review requests for a Rent Banking certification.

Section VI — Updates to this Policy

This policy (including the associated Excel Workbook) may be updated by DPIE as necessary for effective administration of PRSA. Substantive policy updates will be issued for a public comment period of at least 15 days. Unless otherwise specified, any changes to the policy will be applicable only for new and renewed leases after the date of the updated policy.

EFFECTIVE DATE

The effective date of this Policy and Procedures shall be February 1, 2026.