

PRINCE GEORGE'S COUNTY

Budget & Policy Analysis Division

October 14, 2025

FISCAL AND POLICY NOTE

TO: Collette R. Gresham, Esq.,

Acting Council Administrator

Karen T. Zavakos, Esq.,

Acting Deputy Council Administrator

THRU: Lavinia Baxter

Senior Legislative Budget and Policy Analyst

FROM: Shalene Miller-Whye

Legislative Budget and Policy Analyst

RE: Policy Analysis and Fiscal Impact Statement

CB-048-2025 Deceptive Trade Practices by Landlords

CB-048-2025 (*proposed by*: Chair Burroughs)

Assigned to the Planning, Housing, and Economic Development (PHED) Committee

AN ACT CONCERNING DECEPTIVE TRADE PRACTICES BY LANDLORDS for the purpose of enhancing tenant protections under consumer protection laws in response to widespread issues facing tenants from landlord's unfair or deceptive practices.

Fiscal Summary

Direct Impact:

Expenditures: No direct expenditure impact likely.

Revenues: No direct revenue impact likely.

Indirect Impact:

No indirect impact.

Legislative Summary:

CB-048-2025¹ sponsored by Chair Burroughs, was presented to the Council on May 27, 2025, and referred to the Planning, Housing, and Economic Development Committee. It would amend Subtitle 13, Housing and Property Standards, of the Prince George's County Code to establish promulgation authority for the County Council for the Common Ownership Communities Program.

If enacted, CB-048-2025 would:

- Repeal section 2-146 of the County Code and reenact with amendments.
- Declare the following practices unlawful, unfair, and deceptive, in connection with actions by landlords
 - o Failure of the landlord to correct substandard living conditions of their rental properties
 - o Misleading advertising of amenities in their rental properties
 - o Landlord's failure to maintain essential services required on their rental properties
 - o Unwarranted fees assessed by landlords on tenants in their rental properties
 - o Persistent housing violations by landlords on their rental properties

Resource Personnel:

- Leroy D. Maddox Jr., Legislative Attorney
- Tiffany Hannon, Chief of Staff, Council District 7

Current Law/Background:

The Consumer Protection Division regulates unlawful practices, typically related to trade practices, services, merchandise, and the management of cemeteries. This is under the direction of the Department of the Environment.

¹ Prince George's County Council - Reference No. CB-048-2025

Sec. 2-146² provides provisions related to unlawful practices. These practices typically cover the following:

- in connection with the sale or advertisement of any merchandise or service, or in connection with the borrowing of money or extension of credit, whether or not any person has, in fact, been misled, deceived, or damaged; and
- in connection with the ownership and/or management of cemeteries. In the determination of unreasonableness...

Further, Sec. 2-147 of the County Code, provides for the powers and duties of the Department of Environment to:

- 1. Receive and investigate complaints from all persons affected by potential or actual violation of this Division, or to initiate its own investigation of frauds and unfair dealings against such persons.
- 2. Issue subpoenas to compel the attendance of witnesses and the production of documents, papers, books, records and other evidence in any matter over which this Division applies; administer oaths or affirmations to any person whose testimony is required; interrogate witnesses; inspect premises; require written answers to questionnaires; require periodical written reports and the filing of statements.
- 3. Issue cease and desist orders with respect to unlawful consumer practices.
- 4. Report to the appropriate law enforcement officers any information concerning violations of any consumer protection laws, the reporting of which to be within the discretion of the Director.
- 5. Represent the interest of consumers generally before administrative and regulatory agencies and legislative groups.
- 6. Assist, advise, and cooperate with local, State, and Federal agencies and officials to protect and promote the interest of the County consumer public.
- 7. Assist, develop, and conduct programs of consumer education and information through publications and other materials prepared for distribution to the County Consumer public.
- 8. Undertake activities to encourage local business and industry to maintain high standards of honesty, fair business practices, and public responsibility in the production, promotion and sale of consumer merchandise and services, and in the extension of credit; and,
- 9. Exercise and perform such other functions, powers, and duties as may be deemed necessary or appropriate to protect and promote the welfare of County consumers.

Sec. 2-148 – 2-158 provides additional provisions related to unlawful practices, including:

- 1. Additional remedies: license revocation, which gives the Director the authority to:
 - a. seek and obtain, in an action in the Circuit Court, an injunction prohibiting a continuing violator

² <u>DIVISION 8. - CONSUMER PROTECTION. | Code of Ordinances | Prince George's County, MD | Municode Library</u>

- b. To vacate, annul, or suspend the Traders or Business License of any person licensed under the laws of this County
- c. Accept written assurance of discontinuance of any act or practice in violation
- 2. Recovery costs
- 3. Complaint procedures; investigation; conciliation
- 4. Cooperation in investigation, which authorizes the Director to seek cooperation of all departments and agencies of the County Government connected to an investigation
- 5. Conciliation; consent finding; compliance, which provides that the terms of conciliation may be reduced to writing and incorporated into a consent finding
- 6. Dismissal or referral of complaint
- 7. Public hearing; procedure; records
- 8. Cease and desist orders; compliance; civil proceedings
- 9. Dismissal of complaint after hearing
- 10. Civil action in County name

Discussion/Policy Analysis

CB-048-2025

The provisions of this Bill seek to:

Repeal section 2-146 of the County Code and reenact with amendments.

- Declare the following practices unlawful, unfair, and deceptive, in connection with actions by landlords
 - o Failure of the landlord to correct substandard living conditions of their rental properties
 - o Misleading advertising of amenities of their rental properties
 - o Landlord's failure to maintain essential services required on their rental properties
 - o Unwarranted fees assessed by landlords on tenants in their rental properties
 - o Persistent housing violations by landlords on their rental properties

Sec 2-146 of the County Code does not currently cover any level of protection against unlawful practices related to tenants and landlords. Further, it does not offer any specific or tangible remedy to consumers. Through the current code for consumer protection, remedies are only sought after through the Department of Environment's ability to:

- Receive and investigate complaints
- Issue subpoenas
- Issue cease and desist orders
- Report to the appropriate law enforcement officers any information concerning violations

Such remedies do not necessarily generate revenue for the County or provide immediate corrective action for the tenants' and/or consumers' benefit.

Through the failure of the landlord to correct "substandard living conditions" of their rental properties provision, there is currently language in the code which describes inhabitable living standards through Sec. 13-113, which states, "Sec. 13-113³ of the County Code provides that, "A structure is unfit for human occupancy whenever the Code Official finds that such structure is unsafe, unlawful, or, because of the degree to which the structure is in disrepair or lacks maintenance, is unsanitary, vermin or rat infested, contains filth and contamination, or lacks ventilation, illumination, sanitary or heating facilities, utilities, or other essential equipment required by this Code, or because the location of the structure constitutes a hazard to the occupants of the structure or to the public. This term shall also include the phrase unfit for human habitation."

Further, Sec. 13-111 provides corrective action and states, "Every person in violation of this Code shall be guilty of a misdemeanor, and upon conviction thereof shall be punishable by a fine of Five Hundred Dollars (\$500.00), or by imprisonment not to exceed ninety (90) days, or both. Each day that the violation continues shall constitute a separate offense. The application of the foregoing penalties shall not preclude the filing of an action for injunctive relief in a court of competent jurisdiction."

Through the provision of misleading advertisements of amenities in a rental property, while there is nothing covering misleading advertisements in a rental property within the code, Sec. 13-16.02 of the Code does provide that, "Equipment which is provided by the landlord shall be properly installed, connected, and maintained, and shall be capable of adequately performing the function for which it was designed."

The fees provision of this Bill declares unwarranted fees assessed on the tenant by the landlord as unlawful. It is important to further establish what fees may be considered unwarranted and when. For example, in Sec. 13-141 of the County code, late fees or penalties are prohibited for the following:

- a. A landlord shall not charge late fees if they apply to payments required during the emergency.
- b. A landlord shall not charge penalties during the emergency.
- c. A landlord shall inform a tenant in writing to disregard any late fee or penalty notice if the landlord provided the notice to the tenant during the emergency.

As it relates to the provision on persistent housing violations, besides violations and fees imposed by the Department of Permitting, Inspections, and Enforcement, there is no action related to repeat offenders and persistent housing violations. However, civil fines per violation that occur at a rental property are imposed through the following cases:

- 1. Sec. 13-16.02, Air conditioning in rental housing, which imposes a civil fine up to \$500.
- 2. Sec. 13-110, violations out of inspections, which imposes a civil fine up to \$500.00, or by imprisonment not to exceed ninety (90) days, or both.

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³ Prince George's County Code Sec. 13-113

a. "Every person in violation of this Code shall be guilty of a misdemeanor, and upon conviction thereof shall be punishable by a fine of \$500."

Neighboring Jurisdictions

Montgomery County

In Sec. 29.22.01 of the Montgomery County code, the County offers a repair and deduct option for tenants. This allows for, "In cases where the Department has determined that the landlord has failed to meet this responsibility and obligation, Montgomery County has adopted a remedy available to tenants to correct a violation and deduct the reasonable cost of the repair, up to one month's rent, from the tenant's rent." This works congruent with other remedies under State and County law to correct violations.

Tenants are authorized to use the repair and deduct provision when the department issues a violation. Once the violation is issued and the time to correct it has passed, the tenant may be authorized to use the repair and deduct provision.

There are additional requirements in place to be authorized to use the repair and deduct provision including:

- Whether or not the complaining party is the tenant under the lease.
- Whether or not the tenant has granted the landlord and/or the landlord's contractors the necessary entry to correct the violation, as required under the lease, provided that the landlord issued the notice of entry to the tenant required under the lease.
- Whether or not the violation was deliberately caused by the tenant in order to initiate or claim rights under the Repair and Deduct Provision, or to claim other rights under Chapters 26 or 29 of the County Code.
- Whether or not the correction made by a landlord meets the standard required by law as determined by the Department, regardless of whether or not a tenant believes the corrective action is satisfactory or sufficient.
- Which party is responsible for correcting the violation, under the lease; and/or
- Whether or not the tenant is current in the payment of rent to the landlord

Questions for Committee Consideration

- 1. What is the current level of inspection and enforcement actions for inhabitable properties? How can this be increased to prevent persistent housing violations?
- 2. What is considered by unwarranted fees?
- 3. What level of protection can be made for tenants to withhold rent?

Fiscal Impact:

• Direct Impact

Enactment of CB-048-2025 is not likely to have a direct fiscal impact.

• Indirect Impact

Enactment of CB-048-2025 is not likely to establish further protections for tenants against landlords with deceptive practices.

• Appropriated in the Current Fiscal Year Budget

N/A

Effective Date:

CB-048-2025 shall be effective forty-five (45) calendar days after it becomes law.

If you require additional information or have questions about this fiscal impact statement, please call me.