



# THE PRINCE GEORGE'S COUNTY GOVERNMENT

## Office of Audits and Investigations


May 9, 2022

### MEMORANDUM

TO: Robert J. Williams, Jr.  
Council Administrator

William M. Hunt  
Deputy Council Administrator

THRU: Josh Hamlin   
Director of Budget and Policy Analysis

FROM: Warren E. Burris, Sr.  
Senior Legislative Budget and Policy Analyst 

RE: Policy Analysis and Fiscal Impact Statement  
CB-018-2022 Rental Housing Inspection (DR-1)

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**CB-018-2022** (*proposed by:* Council Members Glaros, Dernoga and Ivey)

Assigned to Committee of the Whole (COW)

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**AN ACT CONCERNING RENTAL HOUSING INSPECTIONS** for the purpose of requiring the inspection of certain rental housing dwellings over a certain period of time; requiring certain rental housing properties receiving certain payment in lieu of taxes agreements to be inspected over a certain period of time; requiring a certain reporting requirement; providing for a certain exemption from the rental housing inspection requirement; and generally relating to rental housing inspections.

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### Fiscal Summary

**Direct Impact:**

*Expenditures:* None likely.

*Revenues:* None likely.

**Indirect Impact:**

Potentially Positive

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**Legislative Summary**

CB-018-2022, proposed by the Council Members Glaros, Dernoga, and Ivey, was presented on April 5, 2022, and referred to the Committee of Whole (COW). With this piece of legislation, the Council proposes to add a section Subtitle 13, Property and Housing Standards, Division 1, Housing Code, to require the Code official to inspect all rental properties over 20 years old and with 10 or more units, and all rental properties making payments in lieu of taxes (PILOTS) pursuant to agreements with the County, every three (3) years.

CB-018-2022 was discussed in COW on April 25, 2022 and voted out of Committee as drafted with a favorable recommendation (10-0).

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**Current Law/Background:**

The Prince George’s Code does not currently have provisions outlining the timeframes and protocols for inspections of rental housing properties. However, under §§13-184 and 13-185<sup>1</sup>, the Department of Permitting, Inspections and Enforcement (DPIE) policy requires inspection to renew a rental license. DPIE conveys that they currently inspect a *percentage* of *all* rental housing properties every two years to align with renewing the rental licenses. Currently, DPIE reports that there are 414 rental developments and 74,847 units of rental housing subject to inspection.

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**Resource Personnel:**

- Katherine Canning, Legislative Officer, Prince George’s County Council
  - Lori Parris, Esq., Special Assistant to the Director, Department of Permitting, Inspections and Enforcement
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**Discussion/Policy Analysis:**

While enactment of CB-018-2022 may not cause the agency to do anything dramatically different, it *codifies* the need to have inspections for rental housing properties within a specific timeframe. The current agency policy requires a percentage of all rental properties to be inspected within a 2-year period for license renewal. This legislation specifically addresses rental properties over 20

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<sup>1</sup> [Sec. 13-184. - License issuance or denial.](#)  
[Sec. 13-185. - License renewal.](#)

years old and rental properties receiving PILOTS. The codification of inspections would provide certainty to tenants and landlords as to the inspection regime for covered properties.

Property inspections are important for the tenant, landlord and the County. The tenant can expect their property they are renting to be free from code violations. The Landlord can inspect their property to ensure compliance with the lease and compliance with regulatory laws, and to uphold insurance policy. The County benefits from increased property value having an inventory of violation-free rental property to offer new residents. The increase home value helps with additional tax revenue for the County to continue to assist the community at large. “To estimate the significance of frequent, proactive inspections, they compare code violations for two- and three-unit properties with resident landlords. Two-unit properties with resident landlords are only subject to inspection every six years, and 11.5% of these properties had one or more unresolved violations. Three-unit properties, subject to inspection every three years, had a higher rate: 31.3% had an unresolved violation. One possible explanation is that frequent inspections identify problems that otherwise go unaddressed<sup>2</sup>.”

Benefits of Property Inspection	
Tenants	<ul style="list-style-type: none"> <li>• Build relationship with Landlord</li> <li>• Free from Code violations</li> <li>• More responsive to concerns</li> </ul>
Landlord	<ul style="list-style-type: none"> <li>• Inspect their property</li> <li>• Build relations with tenant</li> <li>• Uphold insurance policy</li> <li>• Ensure compliance with lease and regulatory requirements</li> </ul>
County/Community	<ul style="list-style-type: none"> <li>• Increase home values</li> <li>• Increased revenue from increased home values</li> <li>• Safe rental residents.</li> </ul>

**Fiscal Impact:**

*Direct Impact*

Implementation of CB-018-2022 should not require any additional expenditure / fiscal impact as DPIE reports that their current policy entails inspection of a percentage of all licensed rental properties within two (2) years for license renewal. Therefore, DPIE reports that there should be no fiscal impact for the agency.

<sup>2</sup> <https://nlihc.org/resource/study-demonstrates-importance-proactive-rental-inspections>

*Indirect Impact*

Enactment of CB-018-2022 may result in a positive indirect fiscal impact to the County in the form of increased property values, and tax assessments, over time as a result of a more vigorous inspection program.

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**Effective Date:**

The proposed Bill shall be effective forty-five (45) calendar days after it becomes law.

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