

# PRINCE GEORGE'S COUNTY COUNCIL

## COMMITTEE REPORT

2025 Legislative Session

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**Reference No.:** CB-017-2025

**Draft No.:** 2

**Committee:** PLANNING, HOUSING, AND ECONOMIC DEVELOPMENT

**Date:** 4/03/2025

**Action:** FAVORABLE WITH  
AMENDMENTS

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**REPORT:** Committee Vote: Favorable with amendments, 3-0 (In favor: Council Members Dernoga, Oriadha, and Olson)

The Planning, Housing, and Economic Development (PHED) Committee met on March 20, 2025, to consider CB-017-2025. PHED Committee Chair Dernoga summarized the purpose of the legislation. As presented on Tuesday, February 25, 2025, Draft-1 of the bill is for the purpose of providing for a certain relocation payment for certain housing deemed unfit for human habitation, providing for a certain first right to reoccupy certain rental housing, and generally regarding landlord-tenant relations.

Next, PHED Committee Chair Dernoga requested that the bill be held until a future date as requested by the bill sponsor, Vice-Chair Oriadha. On motion of Council Member Harrison, seconded by Council Member Hawkins, the PHED Committee 3-0 to hold the bill.

On April 7, 2025, the PHED Committee discussed CB-17-2025 (Proposed DR-2). The PHED Committee Director summarized the purpose of the legislation and informed the Committee of written comments received on referral.

Ms. Shalene Miller-Whyte, Legislative Budget and Policy Analyst with the Prince Georges' County Council Budget and Policy Division, explained that the legislation is similar to the legislation enacted by neighboring Montgomery County. The significant difference between Bill 18-19 and CB-017-2025 is that relocation payments are only required under certain circumstances. In Montgomery County, a landlord is not required to pay a relocation payment or offer tenants the right to reoccupy if the rental housing is condemned due to an event beyond the landlord's control.

Ms. Miller-Whyte also explained that Fair Market Rent is based on zip codes and varies from small areas. In Prince George's County, it varies from \$1,230 for an efficiency to \$4,780 for four bedrooms, depending on the area.

The bill's enactment will not have an adverse fiscal impact. Council staff does not believe the volume of complaints would require additional staffing within the enforcement division of DPIE to carry out the duties specified in this legislation.

However, this is not a statement of the department's overall staffing needs.

With Proposed Draft 2, violations will be accompanied by a fine of \$1000 per day, as proposed in Proposed Draft 2 of this bill; this will also allow the County to accrue some revenue if landlords are not complying.

The indirect impact may protect displaced tenants from suffering from the additional challenges of displacement, especially economically, as landlords will be responsible for providing payments to tenants, which may, in turn, reduce the level of County social services resources needed to temporarily or permanently rehouse tenants who have unexpectedly lost their homes due to being deemed inhabitable.

Vice-Chair Oriadha, the bill sponsor, explained that the legislation is a result of an issue that occurred in Council District Seven. Tenants were displaced for months, and there were issues with the landlord providing them housing. There were also issues with tenants' ability to return to the unit after the landlord remodeled the building.

Vice-Chair Oriadha continued explaining that the Montgomery County landlord exemption was reviewed but found to be too broad, which is why the exemption is not in the proposed legislation. It is important for displaced tenants to have immediate housing and to have the right of first refusal to return to a property when renovations are complete because of displacement. The goal is to ensure that tenants are protected.

Ms. Sakinda Skinner, County Council Liaison to the County Executive's Office, expressed concerns regarding the tenants displaced in Council District Seven. Next, she highlighted the Prince George's County Department of Permitting, Inspections and Enforcement (DPIE) concerns and how the proposed legislation may impact the Prince George's County Department of Social Services. The concerns are listed below:

- In times where a resident is impacted by temporary or permanent loss of leased property, DSS provides fiscal support for security and/or first month rent for families who meet the eligibility requirements for DSS emergency resources. This legislation, if implemented, may allow DSS to not use limited emergency rental assistant funds for those impacted by rental units becoming condemned.
- Another concern is that landlords, to protect their revenue, would increase rental costs to hedge against the unanticipated disasters that could lead to property being condemned, i.e., fire, water, or weather damage. This could also disincentivize unsubsidized low- and middle-cost rental property from being established. This could impact affordability for individuals and families already on limited incomes.

- **DSS Fiscal Impact:** This could limit the current practice of using existing emergency rental assistance funding for eviction prevention in situations in which residents have to be relocated due to property condemnation. It could lead to increased housing costs.
- DPIE is concerned with the Proof of Compliance requirement in 13-169(d), which requires a landlord to submit to the Department (DPIE) a copy of the check or money order provided to the displaced tenant. DPIE does not maintain these types of records and does not maintain individual unit information. DPIE would become a repository of information that is not used in its ordinary course of business. To implement this, DPIE would have to create a separate portal to allow landlords to upload the required information. Moreover, our current system issues rental licenses for buildings, not individual units, enabling a landlord to identify which units are uninhabitable.
- If the Council moves forward with this bill, DPIE should be removed. The Council should also require the landlord to keep this evidence for 3 or 5 years and produce it when a county agency or Court requests proof of the payment.
- **DPIE Fiscal Impact:** Momentum upgrades will cost approximately \$75,000. DPIE would have to create a separate portal in the Momentum system to allow for the electronic storage of this information and reporting functions. Because copies of the payments contain sensitive information, DPIE will have to determine the cost of receiving this information electronically and storing it to ensure safeguards.

Other points for the bill sponsor to consider:

- This bill ignores the concept of leases. Does this override if the lease says something different about the landlord and tenant's responsibilities in a disaster scenario (e.g., renter's insurance, etc.)?
- For temporarily displaced tenants, what happens if the work necessary to bring a unit back online is not completed within 30 days? Getting a condemned unit back online within 30 days seems very ambitious. What if the owner needs to continue paying for the replacement housing if the process takes more than 30 days?
- Why does the provision related to temporarily displaced tenants require a "Council resolution"?

Council Member Dernoga requested Ms. Skinner obtain information from DPIE on the number of condemned and inhabitable properties in the County.

Council Member Olson asked why the legislation would prevent DSS from providing assistance to tenants impacted by condemned or uninhabitable properties. Vice-Chair Oriadha answered that DSS would not be prohibited from providing assistance, but the legislation shifts some of the financial responsibility to the landlord and removes some of the responsibility from the agency.

Vice-Chair Oriadha recommended an amendment to the proof of compliance language. The revised language would read: "Proof of compliance. A landlord must retain a copy of the check or money order provided to the displaced tenant and a receipt signed by the tenant for a period of five (5) years."

Council Member Dernoga asked about an exemption for owner-occupied housing, which could be burdensome. Vice-Chair Oriadha agreed that the legislation could be amended to include the same exemptions listed in the Rent Stabilization Act of 2024 relating to owner-occupied housing and units with five units or less.

Ms. Dinora Hernandez, with the Office of Law, found the legislation to be in proper legislative form and has no legal impediments to its enactment. Ms. Hernandez also addressed comments on existing leases and stated that local laws override private contracts even if there is a standing lease; the law tends to side with tenant rights as it relates to lease terms.

Mr. Hugo Cantu, with the Apartment and Office Building Association (AOBA) of Metropolitan Washington, testified, requesting that the Committee consider adding the same exemption to the Montgomery County, Maryland law. The Montgomery County exemption does not require landlords to pay relocation costs due to reasons beyond the landlord's control, such as natural disasters or tenant-caused displacement. He also explained that housing providers will experience higher property and casualty insurance costs without the exemption. ABOA also had concerns regarding the penalty for violations and housing allowance determinations.

Mr. Martin Micheals, from CASA, testified in support of the proposed legislation. He explained that the proposed bill would strengthen protections for thousands of renters across Prince George's County. CASA strongly favors the passage of the legislation without the Montgomery County exemption as proposed by AOBA. CASA believes that when tenants are displaced because their unit is determined unfit for human habitation, it only makes sense that the landlord should pay relocation costs and reasonable housing expenses while the unit is being rehabilitated.

The Committee members discussed and voted on three amendments. The amendments are as follows: (1) exempt owner-occupied housing and multifamily dwellings with five or fewer units from paying relocation fees, including the same language listed within the Rent Stabilization Act of 2024; (2) exempt landlords from paying relocation fees due to a natural disaster (3) require the landlord to retain records for five years to show compliance with the regulations.

On motion of PHED Committee Chair Dernoga, seconded by Vice-Chair Oriadha, the PHED Committee voted 3-0 favorably on the amendments.

On motion of Vice-Chair Oriadha, seconded by Council Member Olson, the PHED Committee voted 3-0 favorably on CB-17-2025 as amended.