





FISCAL AND POLICY NOTE

April 4, 2025

TO: Jennifer A. Jenkins
Council Administrator

Colette R. Gresham, Esq.
Deputy Council Administrator

THRU: Josh Hamlin 
Director of Budget and Policy Analysis

FROM: Shalene Miller-Whye 
Legislative Budget and Policy Analyst

RE: Policy Analysis and Fiscal Impact Statement
CB-017-2025 Landlord Tenant Relations

CB-017-2025 (*proposed by*: Vice Chair Oriadha)

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

AN ACT concerning Landlord-Tenant Relations 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

Fiscal Summary

Direct Impact:

Expenditures: No anticipated expenditure impact.

Revenues: Some anticipated revenue from fines, per Proposed Draft 2.

Indirect Impact:

There will likely be a mixed indirect impact.

Legislative Summary:

CB-017-2025,¹ sponsored by Vice Chair Oriadha, was presented to the Council on February 25, 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.

If enacted, CB-017-2025 would:

- Repeal and reenact with amendments to County Code sections 13-169.
 - Provide relocation payments to a permanently or temporarily displaced tenant.
 - Provide displaced tenants with the first right of reoccupy.
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Resource Personnel:

- Kathy Canning, Legislative Attorney
 - Tiffany Hannon, Chief of Staff, District 7
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Current Law/Background:

According to the County Code, Sec. 113, a structure unfit for human occupancy is considered to be, "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."

The Code² also details that a dwelling unit is considered abandoned for residential use when it has been declared unfit for human habitation for six (6) months and has not been brought up to the Code standards required for occupancy. Further, it details procedures for structures considered unfit for human occupancy, including requiring they be ordered to be vacated, the exterior structure of the premises must be maintained, and that the property should have a placard posted that should include the following:

¹ [CB-017-2025](#)

² [Sec. 13-114](#)

1. The Section of the Code under which the order is issued;
2. An order that the dwelling or dwelling unit must be vacated;
3. An order that dwelling or dwelling unit must remain vacant until the provisions of the order are satisfied and the order to vacate is withdrawn;
4. The date that the placard is posted; and
5. A statement of the penalty for destruction or removal of the placard.

Related to the return of deposits, as required by this legislation, the Maryland Code, Real Property Sec. 8-203 states that “The landlord must, within 45 days after the end of the rental period, return to the tenant the security deposit minus any amount which the landlord may rightfully keep. Simple interest of the greater of the US Treasury yield curve rate or 1.5% per year must be paid on security deposits of \$50 or more. It must accrue each month from the day the security deposit was given, after the security deposit has been held for 6 months.”³

Discussion/Policy Analysis

Bill Provisions

This Bill seeks to provide relocation payments to permanently and temporarily displaced tenants. A permanently displaced tenant is considered a tenant required to vacate their rental housing for 30 days or more, while a temporarily displaced tenant is required to vacate their rental housing for less than 30 days, all for rental housing condemned as unfit for human habitation under Section 13-113 of the County Code.

When a tenant is permanently displaced within 72 hours of the condemnation, the landlord must

- return the tenant’s security deposit with “required interest,”
- pay the tenant any pro rata rent for the remainder of the month and
- pay the greater of 3 months of fair market value rent for a unit of comparable size or 3 months of the tenant’s rent under the lease at the time of the relocation.

For temporarily displaced tenants:

- The landlord must provide alternative, safe, legal, and comparable housing for the tenant and their belongings and
- the landlord must also pay for the immediate relocation and, at the end of the displacement period, must pay the costs to move the tenant back to the original rental housing.
- If comparable replacement housing is unavailable, the landlord must pay an approved allowance determined by the Council's resolution.
- The landlord must also ensure that the lease provisions after the tenant is temporarily displaced are substantially like the original lease before displacement, including the length of the lease and rent amount.

³ [Maryland Code §8-203](#)

Landlords may provide alternative arrangements of equal benefit for the tenant through a written agreement that includes the address of the condemned rental housing and its occupants, a statement of the amount of the relocation payment, and the tenant waiving their right to this payment. The written agreement must also describe the alternative arrangement and the address.

Within five days of a tenant's displacement, a landlord must provide DPIE with a copy of the check or money order provided to the displaced tenant and a receipt signed by the tenant to show proof of compliance.

Lastly, this Bill requires that the landlord provide permanently displaced tenants with the first right to reoccupy rental housing when it becomes habitable, including:

- A written notice of the permanently displaced tenant's first right to occupy, including the landlord's current address and telephone number, and provide notice by certified mail to the tenant when housing is ready for occupancy.
 - Tenants must notify a landlord of their intent to reoccupy rental housing within 15 days of notification and occupy the rental housing within 20 days. Tenants may waive their right to reoccupy housing after displacement.

Neighboring Jurisdictions

Montgomery County, Maryland

Bill 18-19, Landlord Tenant Relations – Relocation expenses, is like this legislation with the same premise of requiring a landlord to pay a tenant a relocation payment when housing is condemned as unfit for human habitation. However, 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. As CB-017-2025 is currently written, there are no exceptions for landlords, particularly concerning the circumstances of how rental housing was deemed condemned.

For Committee Consideration

As stated, this Bill would require landlords to pay the greater of three months of fair market value rent for a unit of comparable size or three months of the tenant's rent under the lease at the time of the relocation for those permanently displaced. Fair Market Rent is based on zip codes and ranges from small areas. In Prince George's County, this ranges from \$1,230 for an efficiency to \$4,780 for four bedrooms, depending on the area.⁴ For additional information on the fair market rent for a specific zip code, visit the following [HUD User website](#).

⁴ [Washington-Arlington-Alexandria, DC-VA-MD HUD Metro FMR Area Small Area FY 2025 Fair Market Rents](#)

This Bill currently lacks any exception provisions. As it is written, a landlord must provide relocation payments when rental housing is condemned and deemed uninhabitable. This includes circumstances out of the landlord's control, such as natural disasters or where the tenant is at fault. Unfit for human habitation is described as "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." It could be considered that some circumstances can be of no fault to the landlord or tenant alike.

The provisions of this Bill may also understate the number of tenants living through room rentals. Currently, tenants living on owner-occupied premises are not protected under the proposed provisions of this bill, as a rental housing unit may face condemnation in owner-occupied premises. Sec. 13-150.01 of the Housing and Property Standards Subtitle of the County Code defines a rental housing unit as "a dwelling unit offered for rent by a Housing Provider for residential purposes, other than a dwelling unit in an owner-occupied premises of not more than three (3) units".

Draft 1 of the Bill does not include any enforcement provisions that would serve as a deterrent and potentially generate some revenue for the County. There is a Proposed Draft 2 of this Bill, which includes an issued citation for violation of the provisions in Sec. 13-169 of up to \$1000 for each day non-compliance continues. It is imperative to consider whether the fine amount and structure are just based on the violation issued, which DPIE may best determine.

Stakeholder Submitted Testimony

AOBA submitted testimony related to CB-017-2025. As a summary of the testimony, AOBA has concerns about the following:

- The \$1,000 per day fine in Proposed Draft 2 of this Bill may be considered aggressive punishment.
- Requesting exemptions for landlords in cases where a tenant is at fault or neither is at fault due to natural disasters, mainly due to their concern about increased liability on landlords and/or tenants, which may increase housing costs.
- Lastly, whether an allowance is for temporarily displaced house tenants without compared housing en masse or on a case-to-case basis.

Please review their submitted testimony for a more in-depth analysis of AOBA's points.

THE Prince George's County Association of Realtors (PGCAR) submitted testimony in opposition to this legislation. As a summary of the testimony, PGCAR has concerns related to the following:

- This legislation is punitive and does not account for situations in which the landlord did not cause or create the conditions.
 - Vigorous code enforcement and education can play a role in eradicating this issue.
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The following questions have been submitted to DPIE and the Administration.

1. If possible, please provide the number of complaints submitted that led to a unit being deemed unfit for human habitation in FY 2024 and so far in FY 2025. If there is precise data that differentiates permanent displacement from temporary displacement, please provide it.
2. Please provide the number of rental units deemed unfit for human habitation in FY 2024 and FY 2025. If there is precise data that differentiates permanent displacement from temporary displacement, please provide it.
3. Please describe the current level of administrative support for areas inspecting inhabitable units and deeming them as unfit to live.
4. What is the average turnaround time in DPIE revisiting a rental unit that is deemed inhabitable but is then brought into compliance?
5. Does the Department anticipate any challenges and/or foresee a need for additional staffing related to administering the provisions of this Bill? If so, please identify these challenges.

Fiscal Impact:

- *Direct Impact*

The enactment of CB-017-2025 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 a Proposed Draft 2 to be considered, 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.

- *Indirect Impact*

The adoption of CB-017-2025 is likely to have an indirect impact as it 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.

- *Appropriated in the Current Fiscal Year Budget*

N/A.

Effective Date:

CB-017-2025 shall be effective forty-five (45) calendar days after it becomes law.

Please call me if you require additional information or have questions about this fiscal impact statement.