

PRINCE GEORGE'S COUNTY COUNCIL
COMMITTEE REPORT
2023 Legislative Session

Reference No.:	CB-007-2023
Draft No.:	1
Committee:	Health, Human Services, and Public Safety
Date:	01/19/2023
Action:	FAV (A)

REPORT: Favorable as amended 4-0: Council Members, Oriadha, Blegay, Burroughs, and Dernoga, Absent: Franklin.

The Health, Human Services, and Public Safety Committee convened on January 19, 2023, to consider, CB-007-2023 An Act Concerning The Rent Stabilization Act of 2023. The Committee Chair summarized the purpose of the legislation which would prohibit a landlord from increasing rent on certain restricted rental units by more than a certain percentage for a period of time, subject to certain exceptions, providing that additional restrictions on rent increases for restricted rental units do not apply once rent is at least a certain amount each month; providing regulation of the Rent Stabilization Act of 2023 by the Department of Housing and Community Development (DHCD) and Department of Permitting, Inspections, and Enforcement (DPIE); providing for an expiration of the Rent Stabilization Act of 2023; and generally relating to rent restrictions for residential leases and rental units.

The Committee Director noted that CB-007-2023 would create a requirement that landlords may not increase the rent more than 3% from the last stated rental price for the next year. This law would be enforceable for a 6-month period and all leases initiated during that time would be subject to this rental increase cap and the bill remains in effect until 90 days after the expiration date. Additionally, the tenant will be immune to late fees, and/or penalties during the same period. DHCD and DPIE will be charged with providing information for the public regarding this bill on their websites and providing notice to license holders.

In-person testimony in support of the legislation was heard from 15 speakers that signed up online, as well as other members of the public. Written testimony from AOBA, the Maryland Multi-Housing Association, and Ms. Tonya Sweat, was also acknowledged.

Committee Chair Oriadha spoke in favor of CB-007-2023, imploring everyone to come to the table with something that moves this bill forward to protect renters as predatory practices will not be tolerated. Chair Oriadha challenged corporate stakeholders based on some of their recent statements to support the legislation.

Vice Chair Blegay, provided personal testimony which explained her support for the legislation. Council Chair Dernoga spoke in response to comments and stated that we need a comprehensive assessment ~~and~~ to move the County forward.

Council Member Burroughs thanked the sponsor and her chief of staff for building a great coalition. It was noted that there is a strong negative impact on children when families do not have financial and housing stability.

The Deputy Chief Administrative Officer for Economic Development Angie Rogers, representing the Office of the County Executive, reviewed and offered amendments from the Administration including an extension from 6 months to one year and a recommendation that the rent cap is increased to CPI plus 3% which would help protect the renters. Federal and State-supported buildings and those built within the last five years should be exempted. Currently, DPIE and DHCD do not have staff trained to do this work. An enforcement mechanism needs to be developed. Clarification of the impact of the late payment provision is required, per Section 13-146(b) of the bill.

Deputy Chief Administrative Officer McCarthy discussed agency participation and stated DPIE looks forward to a working group on this matter and that most tenant and regulatory affairs are handled by third parties around the region. This bill adds another layer outside of DPIE's core mission. DPIE does not have the expertise or resources, and this should be a separate entity solely focused on regulatory affairs. Several questions for consideration were added to the discussion and some of the County's current capabilities not yet in use were noted.

The Office of Law noted that on page 2 line 7, certain provisions go beyond 90 days and noted concern about the legal sufficiency.

The enactment of CB-007-2023 may have a limited adverse fiscal impact, as it will establish the bilateral agency administrative and enforcement obligations of DHCD and DPIE leading to additional County expenditures. These expenditures may be offset to some extent, by fines collected from policy violators if enough are found. The fact that the bill is only valid for a six-month period also minimizes any likely fiscal impact. The enactment of CB-007-2023 may have a favorable impact on the County.

Proposed amendments included: federal housing exemption and extending the workgroup's time to one year and expanding membership to include a county agency. The bill would limit increases to the consumer price index (CPI) plus 3% and exempt certain properties. Clarity on sections-13-146(b) will be included.

After discussion, the HHSPS Committee voted CB-007-2023 out favorably, 4-0 as amended.