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## NOTICE TO PRINCE GEORGE'S COUNTY LANDLORDS

Prince George's County has enacted the Permanent Rent Stabilization Act (PRSA) of 2024 (CB-055-2024), which takes effect on October 17, 2024. After that date, all landlords who operate regulated rental units must comply with the following:

## Annual Rent Increase Allowance between October 17, 2024 and June 30, 2025:

- <u>Regulated Units in Age Restricted Senior Housing Facilities with a 12- or 24-Month</u> <u>Lease</u>: No more than an amount equal to the lesser of:
  - The Consumer Price Index for All Urban Consumers for the Washington-Arlington-Alexandria Area (CPI-U) or 4.5 percent (4.5%)
  - The CPI-U from May 2023 to May 2024 is 3.3%. As such, the allowable rental increase for these units is 3.3 percent (3.3%).
- <u>All Other Regulated Units</u>: No more than an amount equal to the lesser of:
  - The Consumer Price Index for All Urban Consumers for the Washington-Arlington-Alexandria Area (CPI-U) plus three percent (3%) of the base rent <u>or</u> six percent (6%) of the base rent.
  - The CPI-U from May 2023 to May 2024 is 3.3%. As such, the allowable rental increase for these units is six percent (6%).
- By May 1, 2025, DPIE will provide public notice to advise on the annual rent increase allowance that will become effective on July 1, 2025 and will run through June 30, 2026.
- <u>Applicability</u>: The PRSA is unit-based, not tenant-based. It applies to both a lease renewal for a regulated unit <u>and</u> the execution of a new lease for a regulated unit by a new or existing tenant (or tenants). This includes leases for any period of time and also includes leases that become month-to-month after a fixed term.

- **Exemptions:** The PRSA does not apply to the following:
  - a unit whose construction was completed on or after January 1, 2000
  - a unit in a licensed facility if the primary purpose of the facility is the diagnosis, cure, mitigation, and treatment of illnesses
  - a unit in a facility owned or leased by a 501(c)(3) IRS tax-exempt organization if the primary purpose of the organization is to provide temporary shelter to qualified clients
  - owner-occupied group homes
  - religious facilities, including churches, synagogues, parsonages, rectories, convents, and parish homes
  - hotels/motels that only serve transient residents
  - school dormitories
  - licensed assisted living facilities or nursing homes
  - a building originally designed and constructed to contain only two dwelling units, so long as the owner resides in one of the units as their primary residence (domicile)
  - accessory dwelling units
  - units subject to a regulatory agreement with a governmental agency or an agreement with a third-party entity that restricts occupancy of the unit to low- and moderate-income tenants
  - a rental unit owned by a landlord who owns five (5) or fewer rental units within the County if the landlord is (1) a natural person or a living trust of a natural person, or (2) the trust or estate of a decedent
  - a condominium unit owned by one or more persons domiciled in the County
  - any unit within or part of a cooperative
  - **NOTE**: The units/facilities listed above are only exempt from the PRSA for as long as the qualifying conditions exist. Once a condition ceases to exist, the unit/facility is no longer exempt.
- <u>Enforcement</u>: DPIE has the authority to enforce the PRSA through the imposition of penalties of \$1,000 for a first violation of the law and up to \$5,000 for any subsequent violation(s). DPIE may also seek judicial enforcement of any violation notices issued under the PRSA.