

PRINCE GEORGE'S COUNTY

Budget & Policy Analysis Division

FISCAL AND POLICY NOTE

October 4, 2023

| TO: | Jennifer A. Jenkins, Council Administrator |
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| | William M. Hunt |
| | 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-080-2023 Vacant Property Registry Program |

CB-080-2023 (proposed by: Councilmembers Oriadha and Blegay)

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

AN ACT CONCERNING VACANT PROPERTY REGISTRY PROGRAM for the purpose of establishing a vacant property registry program applying to unmaintained vacant residential, commercial, and industrial dwellings and buildings located in the county; providing for certain definitions; providing for the applicability of the provisions of this division; providing for the designation of unmaintained vacant dwellings and buildings; providing for certain inspections of certain dwellings and buildings; providing for a certain fine; providing for certain exemptions; providing for a right to appeal; providing for an annual report; and generally regarding vacant dwellings and buildings.

Fiscal Summary

Direct Impact:

Expenditures: Potential increase in expenditures.

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Revenues: Potential Increase in revenues.

Indirect Impact:

Potentially favorable.

Legislative Summary:

CB-080-2023¹ is sponsored by Councilmembers Oriadha and Blegay and was presented to the Council on September 6, 2023, and referred to the Planning, Housing, and Economic Development Committee. CB-080-2023 would establish a vacant property registry program for all unmaintained vacant residential, commercial, and industrial dwellings and buildings and fine owners in violation of this \$1,000.

Resource Personnel:

- Kathy Canning, Drafter
- Joel Peebles, District 7

Current Law/Background:

Division 7 of the County Code establishes property maintenance requirements as well as enforcement and violation of requirements. Most notably, Section 13-233 requires that all improved and unimproved property be maintained in a clean, safe, secure, and sanitary condition, free of graffiti, not to create a public nuisance or adversely affect public health, safety, or welfare. Section 13-244 states that anyone in violation of the requirements established by Division 7 be given a notice of violation; if not delivered, the violation must be posted in a conspicuous place on the property. In Section 13-245, it states that those in violation may appeal a violation within 15 days of the violation. Lastly, Section 13-246 requires that the responsible person for the violation be issued a civil citation pursuant to Subtitle 28, Division 3^2 , and for properties in foreclosure to be issued the same civil citation or an administrative violation pursuant to Division 15, Subdivision 1.³ Both violations will include a monetary fine of \$1,000.⁴

¹ Prince George's County Council - Reference No. CB-080-2023 (legistar.com)

² <u>DIVISION 3. - MISCELLANEOUS CIVIL VIOLATIONS.</u> | Code of Ordinances | Prince George's County, MD | Municode Library

³ <u>DIVISION 15. - PENALTIES. | Code of Ordinances | Prince George's County, MD | Municode Library</u>

⁴ <u>DIVISION 7. - PROPERTY STANDARDS AND MAINTENANCE.</u> | Code of Ordinances | Prince George's County, MD | Municode Library

Discussion/Policy Analysis

If enacted, CB-080-2023 would require the Department of Permitting, Inspections, and Enforcement to develop this program to inspect all unmaintained vacant dwellings and buildings at least annually to ensure they comply with Subtitle 13 and are not:

- 1. detrimental to public health, safety, and welfare
- 2. a hazard to police officers or firefighters entering the dwelling or building in an emergency; or
- 3. a public nuisance.

There are several exemptions outlined in CB-080-2023 for residential, commercial, or industrial dwellings and buildings. Exemptions must not exceed three years, and those denied may appeal their decision. They include⁵:

- 1. In compliance with Section 13-1120.05(a) and the owner has been actively seeking in good faith to rent or sell the dwelling or building, this is if the time period does not exceed one year of its initial listing or the dwelling has a valid certificate of occupancy.
- 2. For a period no more than 12 months, is subject to a pending application for approval for development before the Planning Board, Board of Appeals, or Office of Zoning and Administrative Hearings.
- 3. Is the subject of a probate proceeding.

This Bill would also require that the Department of Permitting, Inspections, and Enforcement develop an annual report to be submitted to the County Executive and County Council based on the activities of the department in relation to unmaintained vacant dwellings and buildings, including⁶:

- 1. The County Council District and zip code of each dwelling or building designated by residential, commercial, or industrial categories inspected during the prior calendar year.
- 2. For each dwelling or building inspected, a summary of violations by number found and number corrected.
- 3. The number of citations issued to each owner during the prior calendar year.
- 4. The number of fines collected from each owner during the prior calendar year.

Based on research, vacant and abandoned properties are known to have major effects on communities. This includes the physical health and emotional well-being of those who reside in that community, as well as violence and crime within neighborhoods with high percentages of vacant and abandoned properties. Outside of that, vacant and abandoned properties have been shown to harm public finances, including revenue in relation to property taxes. It is important to understand the total loss in property values within the County from abandoned and vacant properties. Another effect of such properties includes maintenance and abatement costs, which can come up when local jurisdictions must cure unsafe conditions and nuisances. Lastly, high crime

⁵ <u>Prince George's County Council - Reference No. CB-080-2023 (legistar.com)</u> (pg. 4, line 21-31, pg. 5, line 1-6)

⁶ Prince George's County Council - Reference No. CB-080-2023 (legistar.com) (pg. 5, line 17-36)

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rates and violence have been associated with communities with vacant and abandoned properties, which in turn require an increase in public safety within that area and an increase in cost for public safety officials.⁷

A neighboring jurisdiction, Takoma Park, has a property registry program. The purpose of their vacant property registration program is to protect residential and commercial neighborhoods from blight. This program includes all residential, commercial, multi-family, industrial, and instructional properties and structures. To be considered a vacant property under this program, the building or structure would not have been used for 30 or more days. It requires owners to register their vacant property within 30 days; if it is not registered, the City may give the property a written notice, and failure to register would be a Class A municipal infraction offense.⁸ Also, Montgomery County has a vacant property registry program very similar to that proposed in CB-080-2023, but that is limited to vacant "dwellings," *i.e.*, residential properties.⁹

Fiscal Impact:

Direct Impact

Enactment of CB-080-2023 will have an adverse direct fiscal impact, as it will likely result in an increase of administrative costs in relation to staffing at the Department of Permitting, Inspections, and Enforcement to fulfill an increased number of inspections.

Indirect Impact

Enactment of CB-080-2023 may have a favorable indirect fiscal impact associated with the collection of fines in relation to violations as well as, potentially, an increase of property taxes from previously abandoned properties over time.

Effective Date:

CB-080-2023 shall be effective forty-five (45) calendar days after it becomes law.

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

⁷ <u>How Vacant and Abandoned Buildings Affect the Community | Center for Community Progress</u>

⁸ Chapter 6.38 VACANT PROPERTY REGISTRATION (codepublishing.com)

⁹ Montgomery County Code, Chapter 26, Article III. Unmaintained Vacant Property.