

#### **Budget & Policy Analysis Division**

September 27, 2024

# FISCAL AND POLICY NOTE

TO: Jennifer A. Jenkins Council Administrator

> Colette R. Gresham, Esq. Deputy Council Administrator

- THRU: Josh Hamlin Director of Budget and Policy Analysis
- FROM: Alex Hirtle Legislative Budget and Policy Analyst

Policy Analysis and Fiscal Impact Statement CB-079-2024 Commercial Property Standards

**<u>CB-079-2024</u>** (proposed by: Council Member Fisher)

Assigned to the Committee of the Whole (COW)

**AN ACT CONCERNING HOUSING CODE** for the purpose of establishing an investigation unit within the Department of Permitting, Inspections and Enforcement to aid in the investigation of certain Code violations; providing for certain staff and advisory and supervisory personnel; providing for certain reporting requirements; and generally regarding Housing Code enforcement.

### **Fiscal Summary**

### **Direct Impact:**

Expenditures: Modest additional expenditures.

*Revenues:* Possible increased revenue due to additional violations.

## **Indirect Impact:**

Potentially favorable.

Website: https://pgccouncil.us | Wayne K. Curry Administration Bldg. Office: (301) 952-3431 | 1301 McCormick Drive, 3rd Floor FAX: (301) 780-2097 | Largo, Maryland 20774

### Legislative Summary:

CB-079-2024<sup>1</sup> was presented by Council Member Fisher on September 17, 2024, and referred to the Council of the Whole (COW).

The Bill amends the Housing Code for the purpose of establishing an investigative unit within the Department of Permitting, Inspections, and Enforcement (DPIE) to aid in the investigation of certain persistent and critical Housing Code violations. It provides that DPIE would work with a supervisor from the County Department of the Environment (DoE) and the Revenue Authority and provides for certain reporting requirements.

# **Current Law/Background:**

The proposed legislation calls for an investigative unit be established to aid in the investigation of "persistent and critical" violations of Subtitle 13, Housing and Property. The Unit's complement will include DPIE staff, and "an advisory supervisor from DoE and the Revenue Authority". Section 503 of the County Charter provides for the reorganization of power and duties among agencies, but it is unclear if the "investigative unit" will be its own separate independent organization, or a specialized group to be overseen by Council or the County Executive; DoE's role as "advisory" is also unclear, especially from the point of Housing and Property standards. Likewise, the Revenue Authority is a creation of the State<sup>2</sup> through County legislation: its purpose includes to improve, control, regulate projects for public use or general welfare, including housing projects<sup>3</sup>, and powers include establishing, imposing, collecting tolls and charges related to projects and properties.<sup>4</sup>

This legislative initiative, articulated by the sponsor, proposes to create a "super" unit of enforcement by partnering DoE and Revenue Authority advisory supervisors with staff from DPIE to efficiently enforce and resolve matters concerning housing and property. The sponsor noted that persistent and critical matters were not being taken care of at present.<sup>5</sup>

### **Resource Personnel:**

- Debra Carter, Council District 2
- Kathy Canning, Legislative Attorney (Drafter)

<sup>&</sup>lt;sup>1</sup> <u>CB-079-2024</u>

<sup>&</sup>lt;sup>2</sup> Prince George's County Code, Subtitle 21A

<sup>&</sup>lt;sup>3</sup> Prince George's County Code, Section 21A-103

<sup>&</sup>lt;sup>4</sup> Prince George's County Code, Section 21A-105

<sup>&</sup>lt;sup>5</sup> Conversation with Legislative Attorney, Sept. 27, 2024.

Committee of the Whole Fiscal and Policy Note -- CB-079-2024 Page 3

### **Discussion/Policy Analysis:**

Housing and Property Standards include inspection and enforcement of housing/building infrastructure in disrepair or not up to Code standards, hazards inside of buildings, including rental properties, apartments, and private homes, property standards compliance, and a multitude of other duties noted in Subtitle 13 of the County Code. DPIE has been challenged to inspect and enforce violations or alleged violations due to the volume of complaints, and persistent staff shortages within the Agency.

Creating an investigative unit to "aid in the investigation of persistent and critical violations" is a novel idea, especially partnering with another agency and a county authority. With that said, there are many questions as to how this unit would operate, who they would answer to, how they would identify what are "persistent and critical violations" and how these would be prioritized. DoE's and the Revenue Authority's role as an advisory piece would also need to be clarified, given these agencies traditionally do not inspect and enforce as DPIE does. Finally, investigations and reporting would need a clear authority to deliver findings and indicators of progress and success. It is hopeful that this Bill can continue the discussion of how to refine and produce increased efficiency and more effective county services of housing and property standards to the residents of our jurisdiction.

### **Fiscal Impact:**

• Direct Impact

Enactment of CB-079-2024 is likely to have an adverse fiscal impact on the County, through apparently two new positions being created at DoE and the Revenue Authority, and possibly new staff at DPIE. This new investigative unit will probably need additional resources, other than what currently exists to expedite their duties. We did not receive information from DPIE regarding data or a fiscal impact analysis, but it can be expected that this proposed legislation will necessitate minimal to modest additional expenditures for the necessary personnel and resources to carry out the Bill's objective. This additional expense may be partially offset by the fines of additional violations.

• Indirect Impact

Enactment of CB-079-2024 could have a favorable indirect impact on the County by the reduction of housing and property violations through this novel enforcement mechanism. Increased quality of life to residents, and possibly higher property values in neighborhoods with more stringent enforcement may provide additional tax revenue for the County.

• Appropriated in the Current Fiscal Year Budget

No.

Committee of the Whole Fiscal and Policy Note -- CB-079-2024 Page 4

# Effective Date of Proposed Legislation:

The proposed Bill 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 reach out to me via phone or email.