



May 26, 2026

POLICY ANALYSIS AND FISCAL IMPACT STATEMENT

TO: Committee of the Whole (COW)
THRU: Sandra A. Eubanks
Committee Director
FROM: Roger G. Banegas *RGS*
Legislative Budget and Policy Analyst
RE: Policy Analysis and Fiscal Impact Statement
CB-046-2026 Vacant Real Properties Tax Rate

CB-046-2026 (*Proposed and Sponsored by:* Council Chair Oriadha)

Assigned to the Committee of the Whole

AN ACT CONCERNING VACANT REAL PROPERTIES TAX RATE, for the purpose of establishing a real property tax rate for real properties consisting of vacant houses/buildings or improved property cited as vacant and unfit for habitation or other authorized use on a housing or building violation notice; specifying the use of the proceeds from the aforementioned tax; and generally relating to property tax on vacant real properties.

Fiscal Summary

Direct Impact

Expenditures: Minimal increase in expenditures related to administrative costs.

Revenues: Potential increase in revenues from the increased property tax rate on vacant properties.

Indirect Impact

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Likely Favorable.

Legislative Summary:

CB-046-2026¹, proposed and sponsored by Council Chair Oriadha, was presented on May 12, 2026, and referred to the Committee of the Whole (COW). This bill will set the tax rate for the class of real property established by CB-080-2024²; specifically, for vacant houses/buildings or improved property cited as vacant and unfit for habitation or other authorized use. The rate will be five (5) times the regular rate levied for State and County purposes for the year. The bill will limit the use of proceeds from the additional rate to funding the approved budget for the Prince George’s County Board of Education, and will be deposited in a non-lapsing account, with specific uses to be determined by Council resolution.

Background/Current Law:

State Law:

In the 2024 Regular Session of the General Assembly, under §6-202.1. of the Tax Code, the state granted “the governing body of a county may establish, by law, a subclass of real property consisting of vacant lots or improved property cited as vacant and unfit for habitation or other authorized use on a housing or building violation notice³”. This enables the County to set tax rates on real property consisting of vacant lots or improved property cited as vacant and unfit for habitation and impose taxes on said vacant properties.

Relevant legislation from Other Jurisdictions:

The District of Columbia, in the “Fiscal Year 2011 Budget Support Act of 2010”, established two new tax rates, one for vacant commercial and residential properties and one for “blighted” properties⁴. Vacant properties are taxed at \$5.00 per \$100 of assessed value, which is more than 5 (five) times the residential rate, and blighted properties are taxed at \$10.00 per \$100 of assessed value, or just under twelve times the residential rate within the District⁵. A blighted building is a vacant building that has been determined by the District’s Department of Buildings to be “unsafe, unsanitary, or which is otherwise determined to threaten the health, safety, or general welfare of the community⁶.” In order for the District to successfully set up this new tax structure, the District also needed to set up a Vacant Property Registration System⁷. The purpose of the district’s vacant

¹ [CB-046-2026](#)

² [CB-080-2024](#)

³ [View Document - Maryland Code and Court Rules \(westlaw.com\)](#)

⁴ [Vacant Real Property | otr \(dc.gov\)](#)

⁵ Ibid

⁶ Ibid

⁷ [D.C. Law 18-223. Fiscal Year 2011 Budget Support Act of 2010. | D.C. Law Library \(dccouncil.gov\)](#)

property registration system was to create financial disincentives for property owners to leave their properties vacant, rather than putting them into productive use⁸. In addition, it penalized those property owners who allowed their buildings to fall into such serious disrepair as to become a visual and physical blight on the neighborhood, as these buildings often pose a danger to the neighborhood. Blighted buildings also tend to have an adverse impact on the property values of inhabited properties nearby and on the morale of the community⁹. Mayor Bowser's FY 2018 budget included an additional \$4.6 million for the purpose of supporting the District's Department of Consumer and Regulatory Affairs' (DCRA) ability to complete additional abatement activities for vacant and blighted properties¹⁰.

Current Law:

In October of 2023, the County Council passed CB-080-2023, which created a Vacant Property Registry Program, which applies to unmaintained vacant real properties located in the County¹¹. It provides for these properties to be placed on a vacant properties' registry list with a fine of \$1,000 for the designation. The Department of Permitting, Inspections, and Enforcement (DPIE) was responsible for developing, populating, and maintaining the registry¹². DPIE was also required to develop an annual report that would be submitted to the County Executive and County Council on the status of the registry list and the properties on the list, to include: the County Council District and zip code of each vacant property; a summary of violations; the number of citations and the number of fines collected from each owner over the course of the previous calendar year¹³.

The County Council also passed CB-080-2024 in November 2024. The Bill established a real property tax rate for properties consisting of vacant houses/buildings or improved property cited as vacant and unfit for habitation or other authorized use on a housing or building violation notice in accordance with the provisions of Sections 6-202.1 and 6-302 of the Tax-Property Article of the Annotated Code of Maryland.

Resource Personnel:

- Josh Hamlin, Legislative Attorney
- Trevon Sawyers, Chief of Staff for the Office of Council Chair Oriadha, Council District 8

Discussion/Policy Analysis:

⁸ [Microsoft Word - FY2011 Vacant Property Guide LKA edits .doc \(dc.gov\)](#)

⁹ Ibid

¹⁰ [Vacant.Blighted.Report.9.21.17.pdf \(dcauditor.wpenginepowered.com\)](#)

¹¹ [Prince George's County Council - Reference No. CB-080-2023 \(legistar.com\)](#)

¹² Ibid

¹³ Ibid

CB-046-2026 would repeal and reenact with amendments Subtitle 10. *Finance and Taxation*. Section 10-173.00.01 of the Prince George's County Code. The current language states that "..., Prince George's County is establishing a special real property tax rate for a vacant houses/buildings or improved property cited as vacant and unfit for habitation or other authorized use on a housing or building violation notice and the assessment and the rate **will be determined by further enactment**". The proposed new language would remove "will be determined by further enactment" and states that "for the full taxable year beginning on July 1 shall be five (5) times the regular tax rate levied for State and County purposes for the year".

Additionally, CB-046-2026 would create Section 10-173.00.02 "*Dedication of property tax on vacant real property for education*" to the County Code. The new section would state the following:

- (a) The proceeds of the property tax imposed and collected under Section 10-173.00.01 in excess of the amount that would have been collected at the regular tax rate shall be deposited into a non-lapsing fund to be used for the sole purpose of funding the approved budget of the Prince George's County Board of Education, including any payments made by the County on behalf of the Prince George's County Board of Education to the Teachers' Pension System and the Teachers' Retirement System.
- (b) Specific uses for revenue from the fund referenced in subsection (a), above, may be prescribed by County Council resolution as part of the annual budget approval or amendment process.

Questions For Committee Consideration

The Office of Finance provided the following questions:

1. What happens if the issue [assessment and rate for the full taxable year beginning on July 1] is resolved or is being resolved? Will there be an expectation that, since resolved, the bill will be reduced, or if the matter exists at the time of annual billing, there will be no reductions?
2. How will disputes be handled?
3. Additionally, the implementation time will need to be considered and would include modifications to programs and reports. Could this bill be modified to be effective in FY2028 (7/1/2027)?

Additionally, how effective will the collection rate be for the added taxes?

Fiscal Impact:

- *Direct Impact*

The enactment of CB-046-2026 will have a moderate adverse fiscal impact on the County related to staffing and administrative costs, such as property inspections, vacancy determinations, appeals processing, legal enforcement, tax billing modifications, database integration, and public outreach

within the first few years of implementation. However, the Office of Finance stated that “based on data received from DPIE’s registry as of 9/11/2025, there were 452 accounts cited without resolution. The average assessment of those properties is \$242,833. The revenue at 5x would be approximately \$5.5M, representing a \$4.4M increase”.

DPIE should be able to provide an updated estimate of the number of properties that could be subject to the increased rate. Once these properties are identified, their respective assessments could be determined, which would allow a reasonably precise estimate of the additional revenue that would result from the Bill.

- *Indirect Impact*

The enactment of CB-046-2026 may have a favorable indirect fiscal impact on the County, as more properties will be tended to or sold to avoid paying the higher rate. The rate will function as a disincentive to retaining ownership of disused or blighted property, which may have a favorable impact on the values of neighboring properties.

Effective Date of Proposed Legislation:

The proposed Act shall take effect 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 email.