September 2, 2026

Policy Analysis and Fiscal Impact Statement

TO: Planning, Housing, Economic Development Committee (PHED)

THRU: Rana Hightower
Planning, Housing, and Economic Development Committee, Director

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FROM: James Campbell, AICP JC
Land Use & Development Specialist

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Legislative Liaison to M-NCPPC

RE: Policy Analysis and Fiscal Impact Statement
CB-074-2026 Accessory Dwelling Units

CB-074-2026 (*Proposed by:* Council Chair Oriadha)

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

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AN ORDINANCE CONCERNING ACCESSORY DWELLING UNITS, for the purpose of adding definitions and designating areas for accessory dwelling units consistent with authority set forth in State law; setting forth regulations for permitted accessory dwelling units; providing for the prospective application of provisions and amendments adopted herein; and providing a severability clause for the provisions related to accessory dwelling units in Prince George's County.

Fiscal Summary

Direct Impact

Expenditure: Expenditures likely.

Revenue: Some revenues are likely.

Indirect Impact

Potentially favorable.

Legislative Summary:

In 2025, the Maryland General Assembly enacted HB 1466, Chapter 197, establishing a statewide statutory framework for Accessory Dwelling Units (ADUs). The legislation took effect on October 1, 2025. The State law establishes a policy of promoting and encouraging ADUs to help meet Maryland's housing needs.

The State statute defines an ADU as a secondary dwelling unit located on the same lot, parcel, or tract as a primary single-family detached dwelling and generally limited to no more than 75 percent of the primary dwelling's size. The definition includes attached units, conversions of portions of the principal dwelling, conversions of accessory structures, and new detached structures.

Most importantly for Prince George's County, State law specifically requires each applicable legislative body to adopt a local law authorizing ADUs by October 1, 2026.

The State framework requires local ADU regulations to:

1. Authorize ADUs on applicable single-family residential properties;
2. Satisfy applicable public health, safety, welfare, building-code, and adequate-public-facilities requirements;
3. Exclude ADUs from density calculations and residential growth limitations; and
4. Provide objective and measurable standards for matters such as massing, entrances, square footage, parking, and utility connections.

State law also places limitations on local regulation, including restrictions on minimum lot-size requirements, certain setback requirements, parking requirements, and subjective standards such as neighborhood compatibility or aesthetics.

In response to the State law, CB-074-2026 was presented by Council Member Krystal Oriadha. The County Council's July 7, 2026, agenda identifies the bill as an ordinance concerning ADUs and describes its purpose as adding definitions, designating areas for ADUs consistent with State

law, establishing regulations for permitted ADUs, and addressing prospective application and severability.

Current Law:

Currently, Subtitle 27 of the County Code does not permit ADUs as a use.

Resource Personnel:

- Kathleen Canning, Legislative Attorney
- Taylor Ware, Chief of Staff, Council District Five

Discussion/Policy Analysis

CB-074-2026 proposes amendments to the Prince George's County Zoning Ordinance to establish a comprehensive regulatory framework for Accessory Dwelling Units (ADUs). The bill responds directly to Maryland Chapter 197 of the 2025 Laws of Maryland (HB 1466), which establishes a statewide policy encouraging ADUs and requires local legislative bodies to adopt local laws authorizing ADUs by October 1, 2026.

The proposed legislation would: establish a definition of an ADU; permit ADUs in the County's rural, agricultural, residential, nonresidential, transit-oriented/activity-center, planned-development, and certain other zones; generally permit one ADU per lot; limit an ADU to 75 percent of the gross floor area of the associated single-family detached dwelling; establish a maximum ADU height of 22 feet, while also requiring the ADU not to exceed the height of the principal dwelling; require either the principal dwelling or the ADU to be owner-occupied; allowing on one ADU per lot; prohibit variances for ADUs; establish special requirements for ADUs in the Residential Conservation Overlay (RCO) Zone; exclude ADUs from ordinary residential density calculations, subject to a special RCO provision; and exempt ADUs from Neighborhood Compatibility Standards unless a master or sector plan requires those standards.

The draft represents a significant policy shift from not allowing ADUs as a permitted use to allowing them on land with a single-family detached dwelling unit as the primary dwelling unit. The bill therefore has the potential to increase housing choice, provide smaller-scale rental housing, support multigenerational living, and make better use of existing residential infrastructure.

CB-074-2026 represents a substantial modernization of Prince George's County's ADU policy and provides the County with an important mechanism for implementing Maryland's new statewide ADU requirements.

The bill's fundamental policy direction, allowing ADUs broadly as permitted uses and regulating them through objective standards, is sound and consistent with the State's housing policy. The Council should keep in mind that the principal policy question is not whether Prince George's County should authorize ADUs; State law effectively requires the County to do so. The more important question is whether the regulations presented fulfill the requirements in State law in a way that is right for the County. This legislation can be seen as both a state law compliance measure and a housing policy opportunity.

How does Prince George's County compare to other jurisdictions in Maryland?

- Maryland is divided into **23 counties**. Maryland.gov
- **Baltimore City** is not part of any county but is treated as a **county-equivalent** for most governmental purposes. findmycounty.com
- Together, these form **24 local jurisdictions** in the state.

Of the 24 local jurisdictions in Maryland (including Baltimore City), 23 already include Accessory Apartments/Dwelling Units in their ordinances, and in some instances, enactment of such ordinances was **prior** to enactment of House Bill 1466, which may or may not fully align with requirements under House Bill 1466. The existing jurisdictions with ADU ordinances, **except for Prince George's County,** include Allegany; Anne Arundel; Baltimore; Calvert; Caroline; Carroll; Cecil; Charles; Dorchester; Frederick; Garrett; Harford; Howard; Kent; Montgomery; Queen Anne's; St. Mary's; Somerset; Talbot; Washington; Wicomico; and Worcester. However, since the enactment of House Bill 1466, Prince George's County has introduced legislation to comply with House Bill 1466.

Questions for Committee Consideration:

1. Should the owner-occupancy requirement be retained?
2. Should the Committee consider a prohibition against variances for ADUs.?
3. Should ADUs be permitted for use as short-term rentals?
4. Does the legislation adequately address environmental, and infrastructure considerations associated with ADU development?
5. Do you agree with the comments from the Planning Board?

Fiscal Impact:

Direct Impact

- Enactment of CB-074-2026 may result in minor initial administrative and operating costs for the Planning Department and the Department of Permitting,

Inspections and Enforcement. Implementation may require staff training, revisions to application materials and public guidance, updates to permit review and tracking procedures, and coordination on zoning, building code, environmental, utility, and enforcement requirements. Because the legislation would use existing zoning and permitting functions, these initial costs may be absorbable within current agency resources. However, the need for additional resources will depend on the volume and complexity of ADU applications received.

- The legislation may generate additional revenue from building permits, inspections, use and occupancy permits, and other applicable fees. The amount of additional revenue cannot be reliably estimated because the number and type of future ADU applications are unknown.

Indirect Impact

- Enactment of CB-074-2026 may have a favorable indirect fiscal impact by increasing the County's housing supply, supporting multigenerational living and aging in place, providing potential rental income for homeowners, and encouraging investment in existing residential properties. Construction of new or converted ADUs may also increase assessed property values and County property-tax revenues over time. The extent and timing of these impacts cannot be reliably estimated.

- Any favorable impact may be partially offset by increased demand for code enforcement, public services, utilities, parking, and other infrastructure. The extent of these costs will depend on where ADUs are developed, and the number of units ultimately approved.

Appropriated in the Current Fiscal Year Budget:

No specific appropriation has been identified for implementation of the legislation. Initial administrative costs may be absorbed within existing agency appropriations, subject to confirmation by the affected agencies.

Policy Implementation/Resource Timeline:

Implementation will require coordination between the Planning Department and the Department of Permitting, Inspections and Enforcement to update application materials, review and tracking procedures, public guidance, and staff training. The agencies should also clarify their respective responsibilities for zoning review, permitting, inspections, enforcement, and any applicable utility requirements.

Because the proposed legislation would take effect 45 calendar days after adoption, Planning and DPIE should confirm whether these implementation activities can be completed within the period and identify any additional staffing, technology, or other resources that may be required.

Effective Date of Proposed Legislation:

The proposed Act shall take effect forty-five (45) days from its adoption.

If you require additional information or have questions, please feel free to contact me.