

Council Bill 21-2026 Fiscal Analysis

Introduced: March 2, 2026

Fiscal Manager: Owen Kahn

Legislative Intent: This legislation creates an owner occupancy requirement for property owners who have a rental license for an Accessory Dwelling Unit (ADU) and sets civil fines for violations of the owner occupancy requirement.

ANALYSIS

Fiscal Impact:

This legislation will have minimal fiscal impacts because enforcement will be performed by existing Department of Inspections, Licenses and Permits staff and resources.

Inspections conducted by the Department of Inspections, Licenses and Permits (DILP) are through a complaint-driven or spot-check process. Any enforcement effort necessary to implement this legislation would not require additional staff or funding.

Depending on the number of violations, this legislation may bring in marginal revenue from fines. Civil penalties for violations of the owner occupancy requirement are \$2,500 for the first offense and \$5,000 for the second offense. Continued violations result in a fine of \$100 per day. These amounts are higher than other [Class B violations](#), which range from \$250 to \$500. In [FY2026, the County estimated](#) the collection of \$2.9 million in fees from all licenses and permits. According to the Department of Finance, the County collected \$11 million over the previous five years in property taxes and fees for structures with ADUs.

Budget Implications:

- N/A.

Other Notes:

- The County Council annually sets the schedule of rental housing license fees. For [FY2026](#), they were either \$85 per unit for most rentals, or \$50 per room for some specialized rental types such as assisted living units or rooming units.