

## Council Bill 23-2026 Fiscal Analysis

**Introduced:** April 6, 2026

**Fiscal Manager:** Yusef Ibrahim

**Legislative Intent:** Council Bill 23-2026 amends Howard County Zoning Regulations to allow for the adaptive reuse and redevelopment of existing hotel and motel properties along the Route 1 corridor. The bill establishes eligibility criteria for properties with a lawfully established hotel or motel use prior to December 1, 2025, and permits residential and commercial uses as part of redevelopment projects.

### ANALYSIS

#### Fiscal Impact:

The fiscal impact of this legislation is unknown, as future development decisions of property owners cannot be predicted. However, the type and composition of local tax revenues vary depending on property use, as summarized below:

Tax Type	Hotel/Motel	Multi-Family	Commercial Properties	Tax Rate
Real Property Tax	Yes	Yes	Yes	\$1.044 per \$100 AV <sup>^</sup>
Fire & Rescue Tax	Yes	Yes	Yes	\$0.206 per \$100 AV <sup>^</sup>
Personal Property Tax	Yes*	No	Yes*	\$2.610 per \$100 AV <sup>^</sup>
Hotel Rental Tax	Yes	No	No	7% of room charges

\* Applies to business personal property (e.g., equipment, furnishings)

<sup>^</sup> Assessed Value

CB23-2026 is a zoning text amendment and does not directly generate County expenditures or require new funding. The bill allows eligible motel and hotel properties along Route 1 to be redeveloped with a broader range of uses, including multi-family housing, mixed-use development, and commercial uses permitted in the Corridor Activity Center (CAC) zoning district.

Based on the Technical Staff Report, the proposed amendment could potentially apply to approximately 16 properties along the Route 1 that meet the eligibility criteria (see Attachment A). There are no site-specific development plans or unit projections identified at this time. As a result, the scale and type of future redevelopment activity cannot be quantified and will depend on individual redevelopment proposals.

**Budget Implications:**

FY 2026 Operating Budget<sup>1</sup>: Total DPZ General Fund Budget (\$8,785,752)

No changes to the FY 2026 Operating Budget are anticipated due to this bill.

**Other Notes:**

None

---

<sup>1</sup> Page 159 in HC FY26 Approved Operating Budget