Glen Lee
Chief Financial Officer

MEMORANDUM

TO:	**The Honorable Phil Mendelson** **Chairman, Council of the District of Columbia**
FROM:	**Glen Lee** **Chief Financial Officer**
DATE:	**June 2, 2025**
SUBJECT:	**Fiscal Impact Statement – Vacant to Vibrant Amendment Act of 2025**
REFERENCE:	**Bill 26-53, Draft Committee Print as provided to the Office of Revenue Analysis on May 8, 2025**

Conclusion

Funds are not sufficient in the fiscal year 2025 budget and the fiscal year 2026 through fiscal year 2029 budget and financial plan to implement the bill. The bill's full implementation cost is $15.4 million in fiscal year 2026 and $89 million over the four-year financial plan period. This fiscal impact statement assumes an October 1, 2025 implementation date.

Background

TITLE I. PREVENTION OF VACANT AND BLIGHTED PROPERTIES

When considering real property, a tangled title is when someone lives in and controls a home, but their name is not on the deed to the home. This often happens when the person on the deed passes away and the remaining residents are not on the deed or ownership of the property after the owner's passing is otherwise unclear or disputed. The bill requires the Department of Housing and Community Development (DHCD) to develop a tangled title information sheet with information about how to legally transfer the real property to an heir and information on resources for low-cost or no-cost legal representation in estate administration. A funeral services establishment must provide the information sheet to a decedent's survivors within five days of the individual's death or when the establishment provides the official death certificate. The District can issue a civil fine of $100 for each offense where an establishment fails to provide the tangled title information sheet. DHCD must produce the information sheet within 180 days of the bill's effective date.

The bill establishes a Register of Wills (Register) in the District as a safe and convenient repository for wills. A testator, or person who has made a will, may file an original will with the Register, who shall seal the will in a wrapper, provide a receipt to the testator, date stamp the wrapper, and maintain an index of all wills received. The wrapper should contain information about the testator, who can serve as their personal representative upon death, and who filed the will. The Register can only provide the will to the testator or a person authorized in writing by the testator while the testator is alive. Upon the testator's death, the Register should open the will, maintain it until filed during probate, and keep a photographic copy after it has been submitted for probate. The Register should establish all necessary procedures to allow for the withdrawal, replacement, or transmission of a will.

The bill authorizes DHCD to issue home rehabilitation grants to eligible single-family homeowners to make accessibility modifications; replace and repair roofs; correct code violations; perform energy upgrades; make structural repairs; or repair electrical, plumbing, or heating and cooling systems. To be eligible, a homeowner must have lived in the property for at least three years, have income at 80 percent of the area median income[1] or less, possesses homeowner's insurance, be current on recent mortgage payments, and be current on all District and federal taxes. DHCD should work with the selected homeowners on the scope of work and identify licensed and certified contractors. DHCD will make payments directly to the selected contractor.

The bill authorizes the Office of Tax and Revenue (OTR) to enter into real property tax payment plans with eligible homeowners who have certain tax liabilities. To be eligible, a homeowner must receive a homestead deduction and demonstrate hardship, receive a household income less than $125,000, experience a disability,[2] or be aged sixty-five years or older. A homeowner can apply for a plan for any real property taxes that are delinquent or currently due.[3] A homeowner must apply for a payment plan on the OTR MyTaxDC.gov website. Under the payment plan, which can be for 12-, 18-, or 24-months, a homeowner must pay by direct ACH debit, check, or money order within twenty days of the payment due date or risk a material breach of the agreement and ultimately default. OTR may not declare a homeowner in material breach of a payment plan until at least sixty-five days after a missed payment and only after providing forty-five days' notice of the risk of material breach. If the homeowner does not cure the material breach within forty-five days of it being declared by paying a lump sum of twice the monthly payment, all missed payments, and any payments currently due, then OTR can declare the homeowner to be in default of the payment plan agreement and can terminate the agreement. The bill also amends the required notices to a delinquent real property taxpayer upon delinquency and before tax sale to include language indicating the homeowner's potential eligibility for a payment plan.

[1] The area median income is the median income for the Washington Metropolitan Statistical Area as established by the U.S. Department of Housing and Urban Development.
[2] Eligibility is determined if the Social Security Administration has determined that the homeowner has a permanent and total disability or the homeowner receives Supplemental Social Security Income or Social Security Disability Insurance, disability annuities under the Railroad Retirement Act, or federal or District of Columbia government disability payments.
[3] Tax liabilities exclude business improvement district taxes, tax increment financing taxes, payments in lieu of taxes, Southeast Water and Sewer assessments, special energy assessments, and non-OTR assessed taxes (pursuant to D.C. Official Code § 47-1340).

TITLE II. VACANT AND BLIGHTED PROPERTY REGISTRATION

The bill requires the Department of Buildings (DOB) to expand its Strategic Enforcement Plan to include predictive statistical models to identify vacant and blighted buildings before they attain that status. DOB should also include a vacant and blighted property rehabilitation strategic plan within the Strategic Enforcement Plan. The property rehabilitation plan should assess legal requirements, incentives, and preventative measures.

The bill updates several of the procedures around vacant property determinations and registrations. The bill updates the conditions the Mayor should consider when making determinations that a building is vacant to include a new Advisory Neighborhood Commission certification. The bill also updates the factors the Mayor should consider when making a vacant blighted determination to include illegal activity from police reports, referrals from other agencies, improper trash and debris storage, and the presence of mold or wild animals. The bill amends the notice requirements regarding the adhesive used for the posted notice and that a courtesy notice be posted on a publicly available website by the DOB.

The bill extends from thirty to ninety days the amount of time a building owner has to register with DOB once the building becomes vacant. The bill establishes what information must be included in the vacant building registration application for approval by the Mayor. The bill exempts buildings owned by the United States government and certain foreign entities from registration requirements. Currently, these buildings must register, but they are not subject to registration fees or vacant building tax rates. Current law also allows the Mayor to exempt buildings from registration fees and vacant building tax rates that are actively seeking a purchaser or renter. The bill adjusts the current timelines so that a single-family residential building can be exempted for half of a tax year and a multifamily residential building for up to two tax years when actively seeking a purchaser or renter.[4] The bill extends from two tax years to three tax years a potential exemption for a property in probate or subject to litigation. The bill extends from one tax year to two tax years a potential exemption for properties with a development application pending before various boards and commissions, such as the Board of Zoning Adjustment, Historic Preservation Review Board, or National Capital Planning Commission. The bill allows the Mayor to offer an exemption for up to one half tax year if the building is actively applying for a building permit or up to three tax years if the building is actively under construction. The former is a new exemption, while the latter is an increase from one year for residential properties and two years for commercial properties. The bill authorizes the Mayor to grant an exemption if the property owner suffers from substantial economic or personal hardship.[5] The exemption, which can be for up to two tax years, currently only applies to substantial economic hardship and is for a period of one year.

The bill updates the maintenance standards for vacant buildings and requires each property owner to include a vacant property maintenance plan with their registration application. The bill outlines what must be included in the maintenance plan, including a process for actively monitoring, maintaining, and securing the property. The subtitle increases vacant building registration and renewal fees from $250 for both to $350 and $500, respectively. The bill establishes civil penalties

[4] Current law does not distinguish between single-family residential and multifamily residential properties and provides all residential buildings a one-year exemption.
[5] The bill outlines some criteria to consider that includes, but is not limited to a serious medical event, bankruptcy events, or a natural disaster.

for violations of vacant building laws. The penalties are $1,000 for a first violation, $2,500 for a second violation, and $5,000 for a third and any subsequent violations.

The bill extends from thirty days to sixty days the time the Mayor has to consider an appeal from a property owner regarding a property's determination as vacant or failure to properly register and pay fees. If the Mayor does not act within sixty days, the determination of vacancy is deemed to be final. The bill reduces from forty-five days to thirty days the amount of time a property owner has to file a real property tax appeal with the Real Property Tax Appeals Commission following the final vacancy determination by the Mayor. The bill also extends from two months to ninety days the amount of time the Mayor, through the Office of the Attorney General, has to appeal a decision of the Real Property Tax Appeals Commission.

Currently, the Mayor must transmit two separate lists of vacant properties and vacant blighted properties to OTR on a semi-annual basis. The bill requires the Mayor to transmit a combined list that designates the properties as vacant or vacant blighted on a weekly basis. The Mayor and OTR also have to reconcile DOB data and OTR taxing records for Class 3 and Class 4 properties on a monthly basis. DOB is currently required to maintain and post online a list of all vacant buildings, at least semiannually. The bill removes the requirement that the list be published semiannually.

The bill authorizes the Office of the Attorney General (OAG) and establishes the procedures for the Office of the Attorney General to petition the Superior Court of the District of Columbia to appoint a receiver for any building that is a nuisance property,[6] blighted, or subject to a condemnation order. If appointed, the receiver is charged with rehabilitating, demolishing, or selling the vacant building.

The bill requires OAG to provide a building owner with at least ninety days' notice of its intent to file a petition and establishes the information that must be included in the petition. The process requires OAG to provide notice to any related creditor or lienholder after the petition has been filed and any creditor or lienholder can, within thirty days of receiving the notice, intervene in the proceeding and attempt to be appointed as the receiver. The creditor or lienholder must be recorded in the petition to be eligible. In lieu of appointing a receiver, the Court may allow the owner or mortgagee to perform the necessary rehabilitation or demolition if they demonstrate their ability to do it and comply with a specified schedule. Once a receiver is appointed, they assume any powers of possession to have the property rehabilitated or demolished. They can manage the property for up to two years and apply any rent to operating expenses or to repay outstanding rehabilitation expenses. The bill exempts the receiver from personal liability for failing to maintain the property or protecting the property from loss, unless the failure is the result of gross negligence or an intentional act. A receiver can sell the property at a public auction or convey it to a land bank. The bill outlines the conditions to be eligible to bid on a property at a public auction. Any investment by the receiver into the property gives the receiver a lien that has priority over all other liens except taxes and government assessments. OAG can contract with any nonprofit or for-profit organization to act as a receiver.

The bill gives the Mayor the authority to issue rules around the abatement of nuisance properties under a period of 45-day passive review by the Council.

[6] The bill defines a nuisance property as one that has been vacant for at least twenty-four months and the owner has not complied with their vacant building maintenance plan or has not abated a property maintenance code violation within thirty days.

The bill defines a blighted area as one that is unsafe or unsanitary, contains an excessive number of abandoned properties or vacant lots and buildings, or is otherwise detrimental to public health and safety. The current definition of blighted area references a repealed code provision.[7]

TITLE III. VACANT AND BLIGHTED PROPERTY INCENTIVES AND TAXES

Class 3 properties are buildings that owners register with or are determined by the Department of Buildings (DOB) to be vacant and Class 4 properties are vacant buildings that are also deemed by DOB to be unsafe, insanitary, or otherwise threaten the health or safety of the community ("blighted"). The bill requires DOB to establish an expedited building permit review process for Class 3 and Class 4 properties. DOB should offer expedited review to eligible properties for demolition, raze, addition, alteration, repair, sheeting and shoring, new building, and trade permits. DOB can only charge standard permit fees for these expedited permits. DOB must establish the expedited review process within 180 days of the bill's effective date.

Current Class 3 and Class 4 real property tax rates are $5 and $10, respectively, per $100 of the building's assessed value (AV). The bill establishes a new tax rate structure for Class 3 and Class 4 properties that increases with the length of time that each property remains vacant or vacant blighted. The current rates are equivalent to the new tax structure's rates for properties that are vacant or vacant blighted for four or more years. The tax rates, which are outlined in the following chart, are effective for the tax year beginning on October 1, 2027.

Years Vacant/Vacant Blighted	Class 3 Rate, per $100 AV	Class 4 Rate, per $100 AV
1	$2	$4
2	$3	$6
3	$4	$8
4 or more	$5	$10

DOB must designate to the Office of Tax and Revenue the applicable rate for each Class 3 and Class 4 property. If a property received an exemption from the Class 3 or Class 4 tax rate and if the exemption is withdrawn or expired, or if the property owner provided misleading information to support the property's classification, then the years of exemption or misclassification should be counted toward assessing the appropriate tax rate.

The bill amends a few existing real property tax sale parameters and prohibits the District from putting into the tax sale certain Class 3 and Class 4 properties. The bill prohibits the District from selling any real property where the owner has entered into a payment plan pursuant to this bill or, if it is a Class 3 or Class 4 property, the owner has been delinquent less than one year and all appeals regarding the classification of the property have been exhausted. The bill increases the tax due threshold from $2,500 to $4,000 where the District cannot sell real property if it is a Class 1A or 1B property. The bill also decreases the tax due threshold from $7,500 to $5,500, where the District should approve a forbearance application to prevent the property from being sold at tax sale.

The bill authorizes OAG to file a complaint in Superior Court to foreclose on Class 3 or Class 4 properties if certain conditions are met. At least ninety days prior to filing a complaint in Superior Court, the Mayor must send a written notice to the owner of the property that the Attorney General

[7] D.C. Official Code § 2-1219.01

intends to file a complaint to foreclose on the property, how much tax is due, and that the owner may enter into a payment plan with OTR or pay any amounts outstanding. The Mayor must also publicly advertise the intent to file a foreclosure complaint on the property within thirty days prior to filing the complaint. Once filed, the complaint must include a description of the property, the names and addresses of any interested parties,[8] the amount of delinquent taxes owed, a statement that no interested parties have redeemed the property, and a request that the court grant the Attorney General's request to foreclose any further rights of redemption. The Attorney General must also include proof that the property has been designated as vacant or vacant blighted. The bill establishes that all interested parties are defendants in the foreclosure proceedings, how the Attorney General should identify and serve process to each defendant, and hearing processes. If the District properly researched and noticed the property's owner and no interested party attempted to redeem the property, the court should enter an order transferring ownership of the property to the District. Once the District takes ownership of the property, the District can transfer the property to a land bank or sell the property at a public auction. The Mayor can sell a property for less than what was owed to the District, but any potential buyers must have sufficient resources to purchase the property[9] and demonstrate experience in rehabilitating properties.[10] If a successful bid exceeds what was due on the property, then any excess must be paid to the property's owner; however, if no owner has been found the funds can be retained in the District's General Fund after a three-year waiting period.

The bill establishes a vacant and blighted home revitalization tax credit for eligible taxpayers and properties beginning in the tax year after December 31, 2026. The refundable tax credit can be claimed against personal income and business income taxes for up to 50 percent of the eligible development costs[11] of a Class 3 or Class 4 property located in a qualifying census tract.[12] The bill outlines the information that the Mayor must certify to the Chief Financial Officer by December 1st of the calendar year following the end of the fiscal year in which the tax credit was approved. The bill establishes an annual tax credit cap of $2 million for all eligible taxpayers.

The bill establishes a real property tax abatement program for the redevelopment of commercial Class 3 and Class 4 properties. The property must be developed for commercial purposes, have been vacant for at least twelve months, and the eligible development costs must exceed $1.5 million. The property owner must utilize certified business enterprises for at least 35 percent of the dollar volume of the construction, execute a First Source Agreement, and gain official approval for the abatement from the Mayor in the form of an eligibility and reservation letter. Upon successful completion of the project, including receipt of the certificate of occupancy, the Mayor should send a certification letter to OTR to process the tax abatement. OTR should apply the abatement to 50 percent of the tax due in the first six years following the certification, two-thirds of the tax due in years seven and eight, and

[8] The bill defines interested parties as anyone having a recorded interest in a property, such as the person on the OTR real property tax records, a mortgagee, a holder of a beneficial interest in a deed of trust, or who can be reasonably obtained from a search of the land records.
[9] The potential buyer must also place a 20 percent deposit with the District and make full payment for the property within five days of the successful bid.
[10] They must show that they also do not have any unresolved notices of infraction related to housing code or property maintenance violations.
[11] Eligible development costs include acquisition, construction, substantial rehabilitation ($150,000 or greater), demolition of structures, or environmental remediation.
[12] Qualifying census tracts are those where the median family income does not exceed 8- percent of the District's median family income, the poverty rate is at least 130 percent of the District's overall rate, and the median value of owner-occupied homes does not exceed the value for all owner-occupied homes in the District.

75 percent of the tax due in the ninth and tenth years. The bill establishes an annual tax abatement cap of $2.5 million for fiscal years 2027, 2028, and 2029 and a cap of $3 million for each subsequent fiscal year. These annual caps must incorporate the value of abatements certified in prior years that are applicable to the current year.

Financial Plan Impact

Funds are not sufficient in the fiscal year 2025 through fiscal year 2028 budget and financial plan to implement the bill. The total cost of the bill's implementation is $15.4 million in fiscal year 2026 and $89 million over the four-year financial plan period. The bill's implementation requires additional budgeted resources of $5.5 million in fiscal year 2026 and $19.8 million over the four-year financial plan period. Additionally, the bill's implementation will have a negative impact on District revenues of $9.9 million in fiscal year 2026 and $69.3 million over the four-year financial plan period. This fiscal impact statement assumes the bill will be implemented on October 1, 2025.

TITLE I. PREVENTION OF VACANT AND BLIGHTED PROPERTIES

DHCD manages an Heirs Property Assistance Program to assist low-income individuals who may have a claim to a District-property that is in probate or where legal title is unclear due to the death of the property owner. DHCD issues grants to administer the program and will leverage these grantees to produce and disseminate the bill's required tangled title information sheet within the existing grant awards.

DHCD manages the Single Family Residential Rehabilitation Program (SFRRP) which provides grants to certain single-family homeowners for repairs or modifications to their homes to enhance accessibility for residents with mobility challenges or to repair roofs. Homeowners apply for grants through DHCD partner organizations and DHCD pays the contractors directly. The bill expands eligibility of both potential applicants for grants and the home repair services that are eligible for grants. DHCD has approximately $5 million for SFRRP grants in fiscal year 2025 and plans to support seventy-five homeowners. The expanded eligibility and repair options will both attract new homeowners to SFRRP and increase the costs per homeowner. An increase of twenty-five homeowners will require DHCD to expand the SFRRP by approximately $1.7 million annually.

The Register of Wills is currently part of the Superior Court Probate Division. The bill expands the Register of Wills' responsibilities to include the receipt, storage, and dissemination of wills that residents want to file for safekeeping and ensure their estate is clearly managed. The current Register of Wills does not operate a registry for wills and does not have the physical space, staffing, or technology capabilities to implement the bill's requirements without additional resources. However, the Superior Court is a federally funded entity and the bill's requirements imposed on the Register of Wills will have no impact on the District's budget and financial plan.

OTR currently offers very limited payment plans for delinquent real property taxpayers. The bill expands eligibility to any recipient of a homestead deduction who can show hardship, has a household income less than $125,000, has a disability, or is aged sixty-five years or older. OTR expects to automate the payment plan approval and execution process as much as possible. OTR will need to build a process into their MyTax website, update the accounting systems, ensure that eligible taxpayers are aware of the payment plan option, and ensure that payment plan participants are not included in the tax sale processes. These system updates and developments will take OTR approximately six months to complete and will have a one-time cost of $260,000 in fiscal year 2026.

OTR also requires one new real property program specialist to conduct eligibility audits at a cost of $99,000 in fiscal year 2026 and $413,000 over the four-year financial plan period.

More expansive payment plan opportunities will also defer real property tax collections. The deferral of collections results in a one-time revenue loss within the financial plan of $8.9 million. In addition, it is estimated that homeowners who currently pay late payment penalties and interest will save those charges as they become eligible for a payment plan. Lost revenue due to penalties and interest is estimated at $986,000 annually. The total impact on real property tax collections from payment plans is a loss of $9.9 million in fiscal year 2026 and $12.8 million over the four-year financial plan period.

TITLE II. VACANT AND BLIGHTED PROPERTY REGISTRATION

The bill requires DOB to include predictive modeling as part of its Strategic Enforcement Plan to help identify properties that have an increased likelihood of becoming vacant and vacant blighted before they get to that point. DOB can absorb the cost of expanding the Strategic Enforcement Plan within the agency's existing budgeted resources.

As part of the vacant building registration process, the bill requires a property owner to submit a property maintenance plan. While owners of vacant buildings are currently required to maintain their properties, DOB does not review specific plans. Adding these plans to the application process for all vacant properties requires DOB to hire two additional permit application processors at a cost of $261,000 in fiscal year 2026 and $1.1 million over the four-year financial plan period. These staff will also support DOB's need to further coordinate with OTR on list of vacant buildings and the expanded information that is required, such as the new tax rate based on length of vacancy. The bill also increases registration fees from $250 to $350 for a new vacant building and $250 to $500 for a vacant building registration renewal. Despite determining that nearly 3,000 buildings are vacant, very few comply with the registration process and pay fees. In fiscal year 2024, only 137 buildings registered or renewed their registration and paid fees. If that level of registration continues, the increased fees will generate approximately $19,000 annually.

The bill authorizes the OAG to petition the Superior Court of the District of Columbia for a receiver to take control of properties that are deemed nuisance properties. OAG will work with DOB and OTR to identify target properties and gather all the necessary information to file a petition at Superior Court. OAG requires two additional attorneys to support the receivership program. These attorneys will cost $327,000 in fiscal year 2026 and $1.4 million over the four-year financial plan period. The bill authorizes OAG to contract with a private receiver to support the program, but receivers will receive control of the properties as payment and there are no additional costs at OAG for this provision. OAG can also absorb any additional administrative expenses related to receiverships within the agency's existing budgeted resources.

DOB requires one staffer to work with both the OAG and the Board for the Condemnation of Insanitary Buildings on identifying and processing properties that could be eligible for receivership. This additional staffer will cost $131,000 in fiscal year 2026 and $542,000 over the four-year financial plan period. OTR will also need to provide limited support to OAG as it prepares packages for properties that are targeted for receivership. The OTR resources identified in Title III below to support OAG's foreclosure process will also be able to support OAG's receivership process.

TITLE III. VACANT AND BLIGHTED PROPERTY INCENTIVES AND TAXES

DOB processes building permits, and the bill's requirement that DOB provide any vacant or vacant blighted building owner with expedited permit reviews and approvals would exceed the capacity of DOB's existing permit review staff. There are nearly 3,000 vacant properties and each permit application could require five or six discipline[13] reviews in the permitting process. DOB requires twelve additional plan reviewers with the appropriate expertise in the various disciplines to process expedited reviews. DOB also requires one additional program support staffer to work with and coordinate external customers, inspectors, and plan reviewers. DOB's thirteen staffers will cost $1.4 million in fiscal year 2026 and $5.8 million over the four-year financial plan period.

The bill establishes a new tiered tax rate that reduces the vacant and vacant blighted tax rates for properties that have been classified in either category for less than four years and then maintains the existing rates for any properties classified at Class 3 or Class 4 for four or more years (not consecutively). Approximately 21 percent of Class 3 and Class 4 properties in any given year have been within each category for at least four years and would maintain the current tax rate. The remaining 79 percent of properties would be taxed at the new rates for one, two, or three years of vacancy and would reduce real property tax revenues. The tax rate changes begin after October 1, 2027 and will reduce real property taxes by $21 million in fiscal year 2028 and $22 million in fiscal year 2029, for a total of $43 million over the four-year financial plan period. OTR will need to update its interfaces with DOB, add the new tax rates to its forms, and update billing and assessment activities. These enhancements will take OTR approximately six months to accommodate the updated tax structure and will have a one-time cost of $260,000 in fiscal year 2026.

This fiscal impact statement does not include an estimate for changes to Class 3 and Class 4 tax collections due to the bill's amendments to classification exemptions and other classification procedure changes. While we do not expect such changes to materially impact the number of properties classified as Class 3 or Class 4, actual implementation may demonstrate otherwise.

The bill removes tax delinquent vacant properties from OTR's traditional tax sale process and authorizes OAG to foreclose on them. Once the District takes title to the foreclosed properties, the Mayor can sell the property deeds in a public auction or transfer them to a land bank. OAG requires two additional attorneys and one staff assistant to process property foreclosures. These additional staff members will cost $388,000 in fiscal year 2026 and $1.6 million over the four-year financial plan period. OAG can also absorb any additional administrative expenses related to foreclosures within the agency's existing budgeted resources.

OAG requires OTR to support the foreclosure process by performing most, if not all, of the pre-complaint research and notification efforts. OTR will build a report for OAG to identify eligible properties for foreclosure and will notice those properties once OAG determines it will proceed with foreclosure. Once a foreclosure judgment is made, OTR will need to update its billing systems to identify these newly District-owned properties and work with the Recorder of Deeds to ensure properties are properly tracked. OTR will also need to update tax sale and forbearance thresholds in its systems. Updating these systems and processes will take six to eight months. OTR requires one-time resources of approximately $425,000 in fiscal year 2026. OTR also requires a real property accounting technician to support these efforts. This staff will cost $67,000 in fiscal year 2026 and $277,000 over the four-year financial plan period.

[13] Disciplines include structural, energy, mechanical, plumbing, electrical, etc.

The bill directs the District to sell the deeds of foreclosed properties or transfer them to a land bank. OTR does not have the requisite expertise to evaluate potential bidders on deed properties and if OTR were designated to execute a public deed auction, it would require an additional program specialist to evaluate bidders and ensure successful execution of the auction. This staff will cost $99,000 in fiscal year 2026 and $413,000 over the four-year financial plan period.

The vacant and blighted home revitalization tax credit would provide a refundable tax credit against personal and business income taxes equal to a portion of the development costs of Class 3 and Class 4 properties located in certain census tracts in the District. The bill caps these credits at $2 million annually and we expect the tax credits to reach the cap each year.

The bill also authorizes a ten-year commercial real property tax abatement program for properties that exceed $1.5 million in development costs and agree to the Mayor's terms as prescribed in the bill. The tax abatement is capped at $2.5 million in fiscal years 2027 through 2029 and then $3 million each fiscal year thereafter. The cap in any given year applies both to properties approved and abated within the fiscal year and the abatement amount for a property that was approved in a prior fiscal year. We expect the abatements to reach the cap each year.

DHCD will certify to OTR that the individuals and businesses applying for the tax credit or abatement are eligible for the credit or abatement and how much OTR should credit or abate. DHCD has experience certifying tax credits with OTR, but requires one housing project manager to certify, track, and coordinate with OTR on these two new programs. The staffer will cost $114,000 in fiscal year 2026 and $473,000 over the four-year financial plan period. DHCD will perform all of the eligibility determinations and communicate that information to OTR. OTR can absorb any costs associated with receiving information from DHCD within the agency's existing budgeted resources.

The charts below summarize the bill's fiscal impact.

Bill 26-53, Vacant to Vibrant Amendment Act of 2025
Implementation Costs by Agency
Fiscal Year 2026 – Fiscal Year 2029
($ thousands)

	FY 2026	FY 2027	FY 2028	FY 2029	Total
DHCD Costs					
SFRRP Expansion	$1,700	$1,700	$1,700	$1,700	$6,800
Tax Credit/Abatement Certification	$114	$117	$120	$122	$473
Total DHCD Costs	**$1,814**	**$1,817**	**$1,820**	**$1,822**	**$7,273**
DOB Costs					
Registration Staff	$261	$268	$274	$281	$1,084
Receivership Support	$131	$134	$137	$140	$542
Expedited Permit Reviews	$1,412	$1,447	$1,483	$1,502	$5,846
Total DOB Costs	**$1,804**	**$1,849**	**$1,894**	**$1,923**	**$7,472**
OAG Costs					
Receivership	$327	$334	$342	$351	$1,354
Foreclosure	$388	$397	$408	$417	$1,610
Total OAG Costs	**$715**	**$731**	**$750**	**$768**	**$2,964**

Bill 26-53, Vacant to Vibrant Amendment Act of 2025
Implementation Costs by Agency
Fiscal Year 2026 – Fiscal Year 2029
($ thousands)

	FY 2026	FY 2027	FY 2028	FY 2029	Total
OTR Costs					
Payment Plan Administration	$359	$102	$104	$107	$672
Tax Rate Change Setup	$260	$0	$0	$0	$260
Foreclosure Support	$591	$170	$174	$179	$1,115
Total OTR Costs	**$1,210**	**$272**	**$278**	**$286**	**$2,047**
Total Implementation Costs	**$5,543**	**$4,669**	**$4,742**	**$4,799**	**$19,756**

Bill 26-53, Vacant to Vibrant Amendment Act of 2025
Revenue Implications
Fiscal Year 2026 – Fiscal Year 2029
($ thousands)

	FY 2026	FY 2027	FY 2028	FY 2029	Total
Payment Plans	($9,881)	($986)	($986)	($986)	($12,839)
DOB Registrations	$19	$19	$19	$19	$76
Tax Rate Changes	$0	$0	($21,000)	($22,000)	($43,000)
Residential Tax Credit	$0	($2,000)	($2,000)	($2,000)	($6,000)
Commercial Tax Abatement	$0	($2,500)	($2,500)	($2,500)	($7,500)
Net Revenue Impacts	**($9,862)**	**($5,467)**	**($26,467)**	**($27,467)**	**($69,263)**

Bill 26-53, Vacant to Vibrant Amendment Act of 2025
Combined Fiscal Impact
Fiscal Year 2026 – Fiscal Year 2029
($ thousands)

	FY 2026	FY 2027	FY 2028	FY 2029	Total
Total Implementation Costs	$5,543	$4,669	$4,742	$4,799	$19,756
Net Revenue Reduction	$9,862	$5,467	$26,467	$27,467	$65,705
Total Bill Costs	$15,405	$10,136	$31,209	$32,266	$89,019