October 22, 2025

FISCAL AND POLICY NOTE

TO: Colette R. Gresham, Esq.
Acting Council Administrator

Karen T. Zavakos
Acting Deputy Council Administrator

THRU: Lavinia Baxter
Senior Legislative Budget and Policy Analyst

FROM: Shalene Miller-Whye
Legislative Budget and Policy Analyst

Policy Analysis and Fiscal Impact Statement
CR-094-2025 Use & Occupancy – No Construction, New Tenant or Owner Change – Commercial Permit Fee

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CR-094-2025 (*proposed by*: Council Member Olson)

Assigned to the Transportation, Infrastructure, Energy, and Environment (TIEE) Committee

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A RESOLUTION concerning Use and Occupancy – No Construction, New Tenant or Owner Change – Commercial Permit Fee for the purpose of requiring a certain use and occupancy permit fee to be paid by a new tenant or by a new owner, when a change in ownership occurs and no construction is required; and generally regarding the payment of use and occupancy permit fees.

Fiscal Summary

Direct Impact:

Expenditures: No expenditures likely.

Revenues: No revenues likely.

Indirect Impact:

Potentially favorable.

Legislative Summary:

CR-094-2025[1] was introduced on October 9, 2025, and referred to the Transportation, Infrastructure, Energy, and Environment Committee (TIEE). This resolution would ensure that the fees associated with the change of ownership for commercial properties will not be passed on to previous tenants but rather Use and Occupancy permit fees will be paid by a new tenant or new owner.

Current Law/Background:

Section 2-253.63 of the Prince George's County Code[2] authorizes the Director of DPIE to establish and maintain a comprehensive Table of Fees for all types of permits. The Section enables the Director to change the fees, as necessary, through the following procedural requirements:

> "Prior to implementing a change in the fees, the Director of the Department of Permitting, Inspections and Enforcement shall [1)] hold public informational sessions to allow for public comment as part of this process. The Director shall [2)] also submit the proposed Table of Fees to the County Executive for approval and for transmittal to the County Council for legislative review and approval by resolution, after notice and public hearing."

The last major general increase to the Table of Fees was established under CR-087-2024[3], which provided a 20% increase in fees and a 10% technology fee, effective July 1, 2025.

Resource Personnel:

- Kathy Canning, Legislative Attorney
- Julio Murillo, Chief of Staff, District 3

Discussion/Policy Analysis:

CR-094-2025 proposes an addition to the Table of Fees for Use & Occupancy permits as it relates to no construction, new tenant, or owner changes for commercial properties. This resolution would propose that fees associated with this permit be paid by a new tenant or owner when there is a

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[1] Prince George's County Council - Reference No. CR-094-2025
[2] County Code, §2-253.63
[3] Prince George's County Council - Reference No. CR-087-2024

change in ownership. Fees include an administrative fee of $66 and a U&O fee of $198. Currently, the Department of Permitting & Inspection requires a new Use & Occupancy permit to be issued to the tenant upon ownership change for a commercial property.

Further clarification and protection for commercial tenants will reduce costs and associated burdens on small businesses. If the new language is adopted, when ownership changes at a commercial property, the costs will not be passed on to the original tenants. However, permit fees will be required if there are any changes in ownership or tenancy, with the issuance of a new Use & Occupancy permit.

The following questions were submitted to the Department of Permitting, Inspections, and Enforcement:

1. How much revenue was collected from commercial tenants for U&Os when there was an owner change in FY 2024 and FY 2025?
2. Based on the current level of revenue, does the agency foresee a large decrease in revenue from U&O fees with the passing of the proposed piece of legislation?

Fiscal Impact:

- *Direct Impact*

Adoption of CR-094-2025 is likely to have a minor adverse impact. This will reduce fees associated with U&O permit fees when a commercial property changes hands. The impact of this is unknown, as it is associated with the number of commercial properties sold while occupied by tenants.

- *Indirect Impact*

Adoption of CR-094-2025 could have a favorable indirect impact on the County, to the extent that small business owners may remain and operate in the County with this incentive, as it could remove any costs associated with new ownership at a commercial property.

- *Appropriated in the Current Fiscal Year Budget*

No.

Effective Date of Proposed Legislation:

The proposed Resolution will be effective on the date of adoption.

If you require additional information or have questions about this fiscal impact statement, please call or email me.