



October 11, 2023

FISCAL AND POLICY NOTE

TO: Jennifer A. Jenkins
Council Administrator

William M. Hunt
Deputy Council Administrator

THRU: Josh Hamlin 
Director of Budget and Policy Analysis

FROM: Alex Hirtle 
Legislative Budget and Policy Analyst

Policy Analysis and Fiscal Impact Statement
CB-084-2023 Early Warning System: Permits

CB-084-2023 (*proposed by:* Council Members Franklin, Harrison, and Hawkins)

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

AN ACT CONCERNING EARLY WARNING SYSTEM: PERMITS for the purpose of establishing an early warning to improve permit application delays in Prince George's County.

Fiscal Summary

Direct Impact:

Expenditures: Modest expenditures anticipated.

Revenues: No direct revenue impact.

Indirect Impact:

Possibly positive.

Legislative Summary:

CB-084-2023 was presented on September 12th, 2023 and referred to the Transportation, Infrastructure, Energy and Environment (TIEE) Committee. This Bill has several mandates:

1. It requires the Director of the Department of Permitting, Inspections, and Enforcement (DPIE) by February 1, 2024 to create and establish a permit early warning system that will improve the speed, effectiveness, and notification of permitting delays in the County.
2. It requires the Director of DPIE to establish and publish on its website the Projected Maximum Time (PMT) that a permit approval/disapproval should occur by permit type. The data should be posted by February 1st of each year, or more frequently if determined by the Director.
3. It requires staff to notify the Director, in writing, any reasons a permit will exceed its PMT, and requires the Director to address the delay, in writing.
4. It requires an annual report submitted by the Director to the Council and County Executive by March 15th the average permit time (by type) for the current year and past year, the number of instances by permit type where PMT was exceeded (for the current year), and any additional details regarding PMT's as determined by the Director.

Current Law/Background:

Although there is currently no formal legislation that requires the specific mandates that CB-084-2023 outlines, [CB-010-2023](#) requires that the County Chief Administrative Officer (CAO) prepare an open data implementation plan and that the County make available certain data sets on a single web portal. The purpose here is to increase agency accountability, allow public knowledge of agency operations improvement (or lack thereof), and help determine if the agency's mission is being furthered.

The County does track specific closure rates on permit-related data, which are included on the County's open data portal. Additionally, the County's customer service reporting (which includes customer contact by internet, email, fax, USPS, and phone) has data on requests for permit-related closure rates.

The need for more transparency and specific data regarding permits was apparent at a March 2023 Town Hall Meeting that DPIE hosted – a notable number of speakers voiced concerns about the amount of time it took for the County to complete permit requests, and a lack of the public's ability to review the status of their permit application, or why it had been delayed. The Council itself has regularly voiced concerns to the Department about the permitting process, both at briefings and during the Budget process.

Momentum, a newer online electronic software system that integrates permitting, licensing, inspections, and code enforcement all into one system, has the capability to track permits and their real-time status. The efficacy of this system is still pending.

Resource Personnel:

- Brendon L. Laster, Chief of Staff for Council Member Franklin
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Discussion/Policy Analysis:

Within our jurisdiction, permits are the cornerstone for development and business transactions. In Prince George's County, permits are required for the construction of anything from a residential porch to a major subdivision. They are also required to demolish structures, build roads, post signs, erect a fence, obtain use and occupancy, and put on a special event. Economic development in part is tied to a well-functioning permitting process because developers and businesspeople rely on a predictable, efficient process to have permits approved. Residents also rely on such a system for projects such as expanding or remodeling their house, or getting approval to build a structure, such as a shed in their backyard.

DPIE has been challenged by the permitting process for several reasons: permit applications have been rising quickly – Fiscal Year 2023 permit applications increased from over 31,000 (to date of budget review) to an estimate of 52,000 for Fiscal Year 2024.¹ There has also been a high turnover of staff, and as of March 2023, the Department had 39 funded vacant positions.² The Department has utilized overtime as well as contract plan reviewers to alleviate some of the permit application delays, but by the County's own data, the goals for reducing permitting approvals/disapprovals have not been reached. For example, the County's Open Performance webpage provides average times to review permit applications for new building and site/road development projects. The County's goal has been to reduce the time to 14 days by June 2023, but the webpage indicates that average times have been over 20 days since 2017.³ Additionally, the latest customer service reporting by citizens who contact the County about an issue indicate that since the beginning of FY 2018, there have been 48 permit-related requests, and only 27 were closed on time, a closure on time rate of only 56%.⁴

Recently, the Department implemented a new online electronic software system called Momentum – the system integrates permitting, licensing, inspections, and code enforcement all into one system. Leadership within the Department noted that Momentum would provide transparent updates on the status of a permit, but concerns about this were voiced at the March 2023 Town Hall Meeting hosted by the Department. Given that this newer system has only been fully integrated into the permitting process for a shorter period of time, the efficacy of it is still pending.

CB-084-2023, if passed and implemented, would appear to increase transparency for the public by having access to PMTs for each type of permit right on the Department's website. Additionally, any permit that exceeds the PMT for that permit type would require staff to contact the Director,

¹ FY 2024 DPIE Budget Committee Report, page 11.

² IBID, page 2.

³ <https://performance.princegeorgescountymd.gov/dataset/Reduce-the-average-amount-of-time-to-review-permit/wx2q-yscd>

⁴ Data sheet provided by Prince George's County Audits & Investigations, October 2023.

which in turn would address the concern in writing. It is not fully clear how this proposed process would better serve the permit applicant if Momentum performed according to its expectations—would a letter in “writing” from the Director explaining a permit was delayed due to staffing shortages be any more effective than a digital note on Momentum indicating the same thing?

Although the legislation can be credited for adding a new layer of transparency to the Council, the County Executive, and the public – assuming the annual reports are public information for the Department’s permitting process performance – this Bill should take into consideration the capabilities of the newer Momentum system and collaborate with the Director to ensure the County is not doubling its efforts to better inform customers, and “improve the speed, effectiveness, and notification of permitting delays in the County.” Additionally, it is unclear if the intent of this Bill could not be fulfilled through CB-010-2023, especially given that the open data plan of that legislation is subject to approval by the Council.

Fiscal Impact:

- *Direct Impact*

Enactment of CB-084-2023 will likely have modest adverse fiscal impact on the County. The mandates outlined in the legislation will require additional staff hours to set up a permit early warning system; establishing PMT’s for each type of permit, and publishing it on the Department’s website; communication by writing between staff and the Director regarding permit applications that exceed the PMT for that permit type; and creation of annual reports. No data was provided by the Department, but given that DPIE processes tens of thousands of permits annually, even a rate of 10% for exceeded PMT’s could require significant staff hours in fulfilling the mandates of the Bill.

- *Indirect Impact*

The indirect impact of this Bill, if enacted, could be favorable, in that this legislation provides increased transparency for both the public and the County government outside of the Department. Additional data to the public and Council would allow increased scrutiny of an operational component of DPIE, providing quantitative measures to calculate progress, or lack thereof, within the permit system. More in-depth data for the Council could shorten PMTs through transparent oversight. This could improve the business and economic climate of Prince George’s County. Additionally, the public could have one more important tool to utilize when advocating for themselves in regard to a delayed permit.

- *Appropriated in the Current Fiscal Year Budget*

No.

Effective Date of Proposed Legislation:

The proposed Bill shall be effective forty-five (45) calendar days after it becomes law.

If you require additional information, or have questions about this fiscal impact statement, please reach out to me via phone or email.