





**FISCAL AND POLICY NOTE**

October 7, 2025

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

Karen T. Zavakos, Esq.  
Acting Deputy Council Administrator

THRU: Lavinia Baxter   
Senior Budget and Policy Analysis

FROM: Isaiah Joseph   
Legislative Budget and Policy Analyst

RE: Policy Analysis and Fiscal Impact Statement  
CB-086-2025 Legacy Wealth Construction Incentive

---

---

**CB-086-2025** (proposed by Council Member Hawkins)

Assigned to the Government Operations and Fiscal Policy (GOFP) committee.

---

AN ACT CONCERNING THE LEGACY WEALTH CONSTRUCTION INCENTIVE PROGRAM for the purpose of establishing an incentive program to reduce disparities in private sector construction projects by increasing economic opportunities for minority-owned businesses and locally owned and operated businesses in Prince George's County.

---

**Fiscal Summary**

**Direct Impact:**

*Expenditures:* Potential increase in expenditures is likely, primarily from reimbursement of permit fees and modest administrative costs.

*Revenue:* Potential county revenue reduction from reimbursements equal to 50% of permit fees when requirements are satisfied.

**Indirect Impact:**

There will likely be a mixed indirect impact.

---

### **Legislative Summary:**

CB-086-2025, proposed and sponsored by Council Member Hawkins, was presented on September 30, 2025, and referred to the Government Operations and Fiscal Policy Committee. If enacted, the bill would:

- Establish a Legacy Wealth Construction Incentive Program that would potentially reimburse 50% of building or grading permit fees for projects directing significant expenditures to County-based Minority Owned Business (MBEs) and or Locally Owned and Operated Businesses (LOOBs).
  - Require the Supplier Development and Diversity Division (SDDD) to manage the application and approval process for the Legacy Wealth Construction Incentive Program.
  - Once SDDD confirms eligibility, the Office of Finance will remit payment of the incentive to the applicant.
- 

### **Resource Personnel:**

- Leroy D. Maddox Jr., Legislative Attorney
- 

### **Current Law/Background:**

In Section 10A-108<sup>1</sup> of the Prince George's County Code, current County law lists several supplies and services that are exempt from Divisions 2, 6, and 7 of Subtitle 10A. These Divisions govern the award of contracts, special provisions, and economic development. Most notably, the current law exempts the County from having to go through the typical competitive solicitation process to acquire any of these supplies or services.

Section 10A-136<sup>2</sup> mandates structured procurement procedures, establishes certification and roster rules, ensures outreach and training, and serves as the registry base for certification and potential decertification with the aim of advancing MBE participation in County contracting.

The County-based certification requirements in Section 10A-163<sup>3</sup> outline the process for County-based businesses to be certified as such but does not specify a period of time for how long the certification status remains active.

---

<sup>1</sup> [Prince George's County Code Section 10A-108](#)

<sup>2</sup> [Prince George's County Code Section 10A-136](#)

<sup>3</sup> [Prince George's County Code Section 10A-163](#)

Section 10A-173<sup>4</sup> creates business preferences that the County should adjust for when reviewing competitive bids or competitive proposals. Under current law, the Purchasing Agent must apply a bid discount to the bid price or add the following percentage points to the total evaluated score of the proposal:

- 15% for County-based small businesses
- 15% for County-based minority business enterprises
- 10% for County-based business
- 5% for Minority Business Enterprises or Disadvantaged Business Enterprises
- 3% for County-located businesses

The Business Development Reserves Program currently exists under Section 10A-158.01<sup>5</sup> of the Prince George's County Code. The purpose of the Program is to encourage and assist County-based small businesses to contract with the County for goods and services.

---

## Discussion/Policy Analysis

### *Provisions*

If enacted, the proposed Bill would amend the Prince George's County Code Subtitle 10. Finance and Taxation. Division 36. Legacy Wealth Construction Incentive Program. to add Section 10-364. The proposed bill adds §10-364 to establish the *Legacy Wealth Construction Incentive Program*. The section is stated as follows:

CB-086-2025 seeks to change the framework of the current law by establishing a Legacy Wealth Construction Incentive Program that would potentially allow applicants for qualifying construction projects to receive reimbursement of 50 percent of permit fees if a significant portion of project expenditures is directed to certified County-based Minority Business Enterprises (MBEs) or Locally Owned and Operated Businesses (LOOBs). Compliance would potentially be verified by the Supplier Development and Diversity Division (SDDD), which would provide written approval that the expenditure and contractor requirements have been satisfied before reimbursement is authorized. The legislation further directs the SDDD to establish the application and approval process, while the Office of Finance is charged with remitting payments once eligibility is confirmed.

The bill draws from the 2019 Prince George's County *Utilization & Availability Study* (also called the "Disparity Study"), which documented persistent inequities in the allocation of construction and procurement dollars across firms of different ownership statuses.<sup>6</sup> That report found that certain Minority/Women-Business Enterprises (M/WBEs) were underutilized relative to their marketplace availability, revealing a gap between the pool of firms that are ready, willing, and able to participate and those that actually received contracts.<sup>6</sup> In light of those

---

<sup>4</sup> [Prince George's County Code Section 10A-173](#)

<sup>5</sup> [Prince George's County Code Section 10A-158.01](#)

structural disparities, this proposal seeks to reorient capital flows: by incentivizing contractors to reinvest in County-based MBEs and Locally Owned & Operated Businesses (LOOBs), the program aims to promote local wealth building and curb economic leakage, keeping more contract and development dollars circulating within Prince George’s County rather than flowing outward to firms outside the jurisdiction.

---

<sup>6</sup> [Prince George’s County Disparity Study \(2019\)](#)

By targeting reimbursements toward permit-driven projects that engage MBEs and LOOBs, the bill intervenes earlier in the development lifecycle, addressing exclusion not at the point of bidding, but at the point of construction mobilization itself. In doing so, it seeks to remedy systemic exclusion of these firms in historically opaque construction markets, nudging the system from the margins toward inclusion. The overall impact of this can only be estimated to the extent of the number of MBEs and LOOBs projects currently using incentives or may require rebates in the future.

### *Montgomery County*

Montgomery County has pursued comparable equity objectives through its procurement reforms. In 2015, the County enacted Bill 48-14, which introduced an “evaluation factor” in Requests for Proposals to boost participation by Minority, Female, and Disabled (MFD)–certified firms.<sup>6</sup> That legislation allows up to ten evaluation points out of the total RFP scoring to be awarded to a proposer that is MFD-certified or that, through subcontracting strategies, exceeds the county’s set target for MFD participation.<sup>7</sup> In addition to MFD procurement reforms, Montgomery operates a Local Small Business Reserve Program (LSBRP), which mandates that departments consider County-based small businesses in procurement opportunities.<sup>7</sup> Through these intertwined approaches, Montgomery has built institutional capacity and incentives for inclusive contracting practices.

CB-086-2025 may build upon this regional momentum. Instead of applying incentives or preferences solely within procurement decisions, this Bill may link the permitting process itself to economic equity goals. By offering rebates or fee offsets tied to the use of minority and local businesses in permit-driven construction, the bill seeks to embed racial and economic justice into the earliest phases of development, not simply at the procurement stage.

---

### **Fiscal Impact:**

- *Direct Impact:*

---

<sup>7</sup> [Montgomery County’s Office of Procurement Announces New Legislation Regarding Minority Owned Businesses](#)  
[Montgomery County Council Bill 48-14](#)

The enactment of CB-086-2025 may have an adverse fiscal impact. Through this legislation, the County may forgo up to 50% of permit fee revenues on qualifying projects, with fiscal exposure depending on the number and size of projects.

- *Indirect Impact:*

The adoption of CB-086-2025 is likely to have an indirect fiscal impact as incentives may increase participation by minority and locally owned firms. This could potentially strengthen local businesses, create jobs, and broaden the County's tax base over time

---

**Questions for Committee Consideration:**

1. How will the Supplier Development and Diversity Division (SDDD) verify compliance with the expenditure and contractor requirements, and what safeguards will be in place to ensure reimbursements are only issued to qualifying projects?
2. What level of reimbursements are currently being issued similarly for MBEs and LOOBs?
3. Given recent scrutiny of DEI-related contracting policies at the state and federal level, how can the program be structured and communicated to withstand potential legal or political challenges while still achieving its equity and economic development goals? Are there any concerns related to DEI scrutiny at the Federal level trickling down into the County based on minority focused efforts?

---

**Effective Date:**

CB-086-2025 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 call me.