



THE PRINCE GEORGE'S COUNTY GOVERNMENT


Office of Audits and Investigations


October 18, 2021

FISCAL AND POLICY NOTE

TO: Robert J. Williams, Jr.
Council Administrator

William M. Hunt
Deputy Council Administrator

THRU: Josh Hamlin 
Senior Legislative Budget and Policy Analyst

FROM: Cassandra Fields 
Legislative Budget and Policy Analyst

RE: Policy Analysis and Fiscal Impact Statement
CB-105-2021, Food Truck Hubs (Draft 2)

CB-105-2021 (*Sponsored by:* Councilmembers Ivey & Anderson-Walker)

Referred to the Committee of the Whole (COW)

AN ACT CONCERNING FOOD TRUCK HUBS for the purpose of eliminating Food Truck Hubs and authorizing Food Truck vending in Prince George's County.

Fiscal Summary

Direct Impact:

Expenditures: Likely increase due to administrative costs.

Revenues: Likely minimal.

Indirect Impact:

Potentially positive.

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Legislative Summary:

CB-105-2021, sponsored by Councilmembers Ivey and Anderson-Walker was presented to the County Council on September 28, 2021 and referred to the Committee of the Whole (COW). On October 14, 2021, CB-105-2021 was held in Committee in order to address concerns presented by staff and Councilmembers.

Draft 2 of CB-105-2021 incorporates changes requested by the Department of Permitting and Inspections (DPIE), the Department of Health and those proffered by Councilmembers during the October 14th Committee meeting. They include:

- In Draft 2, page 4, lines 7-9, wording is revised to eliminate the expiration of a special food service facility - mobile unit license from “one year from the date of issuance” to a more generic term, “according to the Department of Permitting, Inspections, and Enforcement requirements.” Under this language, the permit expires the same time each year and is not based on the date of issuance.
- Draft 1 maintained the previous language that waived all fees relating to licensing. Draft 2, page 4, lines 10-11 rectifies this and allows for the charging of applicable fees and makes reference to the appropriate fee schedule location within the Code.
- Draft 2, on page 4, line 14, adds language governing the requirement of the use of the online licensing module through DPIE.
- Draft 2, page 6, lines 6-30 addresses the locations in which the activity will be permitted in §12-115. Draft 1 used the term of art, “use.” All previous references are amended to “location” in Draft 2. It deletes “malls, strip centers and multi-use zones” from subparagraph (a)(3)(A)(iii). It removes community properties, including Homeowners’ and Condominium Associations, along with cooperatives from subparagraph (a)(3)(A)(iv). It simplifies subparagraph (a)(3)(A)(v), by removing the term “Agricultural Zones”, and just leaving reference to Agritourism. Draft 2 also adds golf courses and dog parks to permitted locations.
- Draft 2 restores the responsibilities of the vendors, which had previously been listed under “Food Truck Hub Licensee” on page 7, lines 6-10 of Draft 2.
- Draft 2, page 7, lines 11-20 creates an enforcement mechanism for DPIE. Language on lines 21-23 provides for an appeals process for Licensees who are in receipt of violations or has had their license revoked.
- Finally, at the COW meeting on October 14, 2021, there was also discussion about language in Section 12-115(a)(3)(B)(ii) relating to operating in areas within a one-quarter mile radius of the station entrance of any Metro and MARC station (which was not included in Draft 1 of CB-105-2021). After the question was raised, the language was stricken from Draft 2 that is within the Council binder for consideration (see Draft 2, page 7, lines 2-5).

CB-0105-2021 serves to eliminate *‘Food Truck Hubs’* and to authorize *‘Food Truck vending’* in certain zoning districts within the County. As drafted (Draft 1), the bill provides a definition for

'food truck' and *'mobile unit'*. It proposes to add language to Section 12-115, Special Food Service Facilities – Mobile Units that would include *'food trucks'* and require specified information to be affixed to a mobile unit and/or food trucks, “as required by DPIE”. In the same section, it expressly seeks to generally prohibit public vending in the public right-of-way within the County, but permits food trucks and/or mobile units in the following zones (with documented permission from a person who is authorized to enter into an agreement on behalf of the property owner):

- Office Parks and Business Parks;
- Industrial Zones: Industrial and Employment Parks;
- Commercial Zones: Retail Shopping Centers including Malls, Strip Centers and Mixed Use Zones;
- Community Properties including Home and Condominium Owners Association properties, Cooperatives, Faith-Based Organizations and other private community and common community properties to include membership pools and non-profit organizations;
- Agricultural Zones;
- Properties of craft food and beverage facilities;
- Properties on, at, or adjacent to food halls, food markets, farmers’ markets and other temporary food-associated venues;
- Active construction sites; or
- County, State and Federal properties with public employment or access.

Current Law/Background:

CB-015-2015 and CB-017-2015 established the foundation for food truck operations within the County by outlining new regulations for fixed locations, known as *'Food Truck Hubs'*. The regulations limited vendors, in general, to specific areas where a *'hub'* was allowed to be established for operations, which generally included a ¼ mile radius within most Metro or MARC stations, and Maryland-National Capital Park & Planning Commission facilities. West Hyattsville, Prince George’s Plaza, Largo Town Center, and Branch Avenue Metro Stations were exempt for food truck hubs. The hubs required a coordinator to oversee operation of the hub, a substantial fee from \$500 to \$3,500 to be paid, and approval of the hub by DPIE.

In 2019, the Council passed CB-037-2019, which reduced licensing fees for a fire inspection to license food trucks from \$75/hour to a \$35 flat fee; the Bill also eliminated all food truck hub license fees.

Additionally, the Council provided more access to food truck vending through CR-073-2019 by allowing vendors to go through incorporated municipalities to vend in the respective municipal boundaries, according to that municipality’s regulations. CR-065-2019 also provided for the Maryland-National Capital Park & Planning Commission and DPIE to create a Memorandum of Understanding (MOU) to allow food trucks to operate at their facilities according to the MOU. The outcome of that MOU has yet to be determined. For both of these resolutions, the initial licensing of the food truck by the County has not changed.

Discussion/Policy Analysis:

CB-105-2021 would amend the current regulations in the County to eliminate the requirement for a food truck hub to be created for operation of food trucks, in addition to notably advancing the areas where trucks could vend.

As mentioned in the legislative summary, above, with the property owner or manager's written permission (under all circumstances), vending would be allowed in: (1) office and business parks to accommodate workers who may want quick access to prepared food but may not be located near restaurants or other food venues; (2) commercial and mixed-use zones, to attract more retail customers or provide additional food options to patrons; (3) community properties and cooperatives such as membership pools; (4) faith-based properties and non-profit venues for events and convenient food access; (5) agriculture zones, wineries, and breweries where prepared food options are either not allowed, limited, or are meant to compliment the food or beverage product produced on the property; (6) food halls and farmers markets to attract additional patrons as well as to provide or compliment the products already being sold; (7) active construction sites for prepared food options for the workers on the property; and (8) County, State, and federal properties with public access that often have large concentrations of workers that would benefit both the vendor as well as the employees.

During many discussions with food truck vendors at the Food Truck Hub Oversight Committee meetings, facilitated by the Economic Development Corporation, it was cited that the many regulations and restrictions the County places on food truck operations has created a dearth of vendors in Prince George's County, which already lacks adequate upscale brick and mortar food establishments. Additionally, the County lacks dense economic centers near many of the Metro stations that would provide prime locations for food trucks to operate. Because of this combination of circumstances, a substantial number of food truck vendors that live in the County operate their trucks outside of their home jurisdiction. This legislation would provide for a simpler, more streamlined process for vendors to operate in the County while increasing their options for locations, and the overall success of their operations.

Some of the operational and fiscal concerns have been noted by Executive Branch staff. These include the existing language on page 4, line 11 of Draft 1. All fees associated with licensing were previously eliminated in 2019. Considering the administrative role for application development and review, changes to programming/licensing, review of the agreement with the appropriate property owner, enforcement and at least 3-4 inspections annually per applicant, the continued policy of non-recovery of fees was not recommended. Additionally, the State-mandated reciprocity law requires a county health department to issue a mobile reciprocity license to Maryland mobile food service facilities that meet the requirements set forth in MD HEALTH-GENERAL Code Ann. § 21-304 (f) and that are in compliance with COMAR 10.15.03. The law prohibits a county, under certain circumstances, from requiring that a mobile food service facility be inspected before

issuing a mobile reciprocity license¹. This could make licensing in Prince George's County extremely attractive for vendors, since it would be the only county not charging any fees. Given this fact, the potential for the generation of increased volume of applications would be high. As a result, it would require additional staff resources. ***This has been remedied with the second draft of CB-105-2021.***

COMAR 10.15.03 addresses the vehicle identification requirements. It is recommended that CB-105-2021 be amended to make reference to those existing provisions of the State Code (ref. page 5, line 13-25). ***This was not addressed, however, DPIE seemingly has no objections.***

Draft 1 of CB-105-2021 seemingly strikes the process for dealing with complaints and violations. It also eliminates the responsibilities of the coordinator in regard to quality-of-life concerns. Complaints could involve numerous agencies and the logistics of enforcement (to include, fines, revocation of license, appeals, etc.) should be clearly defined. A "bad vendor" could be banned from one site yet still be permitted to operate at another with the permission of the property owner. Perhaps another section of the Code and/or internal policy governs this enforcement. If so, it may be prudent to reference it specifically within the Bill. ***This has been remedied with the second draft of CB-105-2021.***

Lastly, the understood intent of the proposed legislation would allow each municipality to govern their own permitting of food trucks within their boundaries based on their own rules and regulations. Licensing of the actual food truck would still remain a county function.

Fiscal Impact:

Direct Impact

Enactment of CB-105-2021 could have a direct fiscal impact on the County relating to inspection and enforcement. Additional administrative costs associated with implementation could be realized by both the Department of Permitting, Inspections and Enforcement (DPIE) and Department of Health. The provision in Draft 2 allowing the collection of fees and charges for a special food service facility - mobile unit license could offset these implementation costs.

Indirect Impact

Enactment of CB-0105-2021 could have a positive indirect fiscal impact, as it may incentivize and bolster economic development in the proposed areas.

Appropriated in the Current Fiscal Year Budget

No.

¹ <http://mdrules.elaws.us/comar/10.15.03>

Effective Date of Proposed Legislation:

This Act shall be effective forty-five days (45) after it becomes law.

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