



April 3, 2026

POLICY ANALYSIS AND FISCAL IMPACT STATEMENT

TO: Committee of the Whole

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Policy Analysis and Fiscal Impact Statement
CB-029-2025 Restaurant Dine-In Permit Incentive Act of 2026

CB-029-2026 (*proposed by: Council Member Oriadha*)

Referred to the Committee of the Whole (COW)

AN ACT CONCERNING THE DINE-IN RESTAURANT PERMITTING INCENTIVE ACT OF 2026 for the purpose of providing for a reduction in permitting fees for sit-down restaurants to stimulate restaurant growth in Prince George's County; and generally relating to permitting fees.

Fiscal Summary

Direct Impact

Expenditures: Nominal.

Revenues: Potentially significant increase in revenues.

Indirect Impact

Potentially favorable.

Legislative Summary:

CB-029-2026 was introduced on March 24, 2026 by Council Chair Oriadha, and was referred to the Committee of the Whole (COW). This bill authorizes the Director of the Department of Permitting, Inspections and Enforcement (DPIE) to interpret and assess business applicants' permit fees in accordance with the Sit-down Restaurant Permitting Incentive Program, which seeks to discount business permit fees by fifty percent 50%. Additionally, the Bill defines sit-down restaurants pursuant to Subtitle 27 Part 27-5, as “an operation that consists of sit-down table service provided by dedicated waitstaff for on-site food and beverage consumption”. Restaurants that offer drive-through or fast-food service are not sit-down restaurants.

Current Law/Background:

Sit-down restaurants, as defined in Subtitle 27 Part 27-5 are currently mandated to pay full fees and charges as prescribed in Attachment A, Table of Fees within Subtitle 2, Division 14C, Sec. 2-253.63.

This legislation closely models CB-088-2025, The Locally Owned and Operated Business Incentive Act, which was enacted to stimulate the growth of locally owned and operated businesses by reducing fees and charges on such businesses and fostering economic growth within the County. The incentive here is reduced fees and charges relevant to opening a sit-down restaurant, which could include building permit fees, site development concept plan review fees, stormwater management fees, business license fees, health permits, and others.

The County has struggled with its lack of higher-end sit-down restaurants and other healthier food options. This was underscored in a report produced at the University of Maryland College Park¹ which highlighted the vulnerable and minority populations of the County have more unhealthy food options within a ½ mile walking distance of their communities. The Report compared the County to other jurisdictions including Montgomery County (MD.), Fairfax County (VA.) and even Baltimore City (MD)- each one of these jurisdictions had, per capita, more access to healthier foods such as healthier grocery stores and non-fast food eating establishments. The Report even provided a recommendation to discourage fast food consumption among its population.²

Resource Personnel:

¹ Food Access & Equity in Prince George's County, Capstone Report, Environmental Science & Policy, UMD, Spring 2021, pages 42-44.

² IBID, page 45.

- Josh Hamlin, Legislative Officer
 - Tre'von R. Sawyers, Chief of Staff (District 7)
 - Lori Parris, Department of Permitting, Inspections, and Enforcement
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Discussion/Policy Analysis:

The shortage of quality sit-down restaurants in Prince George's County, as defined by the text of this Bill, has been substantiated in numerous studies. A recent report by the Maryland-National Capital Park & Planning Commission (M-NCPPC) established that many areas of the County "lack" or have "few sit-down" restaurants, even though there is a demand for them.³ Furthermore, the restaurant business is a challenging field to be an entrepreneur in, due to the high rate of business failures and high start-up costs: recent research shows that nearly 60% of new restaurants fail within the first 5 years, and the average cost of start-up cost is over \$375,000.⁴

A search for what other jurisdictions are doing to encourage restaurant development and other types of small, locally-owned businesses includes:

- Washington DC Great Streets Small Business Grants program. The District provides grants to locally owned small businesses, including sit-down restaurants- they have provided 208 businesses grants to open such enterprises, with a total investment of about \$2.2 million.⁵
- Escondido, California provides fee reductions to select businesses for restaurants with wait service. They waive permit fees, plan review fees, sign permit fees, and façade/awning improvement permits and inspection fees.⁶

The Council should closely consider the risk that restaurant entrepreneurs make in investing in a very challenging food service environment. This piece of legislation is a step in the right direction, and future legislation to assist potential restaurant owners considering to locate within the County would help our jurisdiction in acquiring more upscale sit-down dining options.

Fiscal Impact:

- *Direct Impact*

Adoption of CB-029-2026 may have a potentially favorable fiscal impact on the County by stimulating the sit-down restaurant industry to open more restaurants in the County. However, that activity could offset

³ Retail Revitalization Report, 2023, M-NCPPC, pages 12, 42-44.

⁴ <https://research-archive.org/index.php/rars/preprint/view/3437>, Abstract.

⁵ <https://www.montgomerycountymd.gov/OLO/Resources/Files/2020%20Reports/OLOReport2020-6.pdf>, pg. 14.

⁶ IBID, page 15.

permit fee revenues that will be cut in half. Please note that at the time of this report, DPIE had not provide a fiscal note.

- *Indirect Impact*

Adoption of CB-029-2026 could have a favorable indirect impact by providing healthier food options for County residents, especially in areas of the County that currently lack or have few options for more upscale dining options.

- *Appropriated in the Current Fiscal Year Budget*

No.

Policy Implementation Resource/Project Timeline:

Legislative Initiative

Milestone 1 (April/early May 2026) – legislation passed and signed by County Executive.

Milestone 2 (May/June 2026) – DPIE completes administrative process for fee reductions.

Milestone 3 (July 2026) – 45 days after becoming law, Bill takes effect.

Disclaimer - Relative timeline based on Analyst's understanding of the legislation. The Agency did not respond to this report in time.

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 me via phone or email.