




October 4, 2024

FISCAL AND POLICY NOTE

TO: Jennifer A. Jenkins
Council Administrator

Colette R. Gresham, Esq.
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
CR-087-2024 Increased Fees Maintained by the Department of Permitting,
Inspections, and Enforcement (DPIE)

CR-087-2024 (proposed by: County Executive. Sponsored by: Council Members Ivey, Watson, Oriadha, Dernoga, and Blegay)

Assigned to the Committee of the Whole (COW)

A RESOLUTION CONCERNING DEPARTMENT OF PERMITTING, INSPECTIONS, AND ENFORCEMENT for the purpose of increasing all fees maintained by the Department of Permitting, Inspections, and Enforcement (DPIE), with such increase to be approved by the County Council after notice and public hearing.

Fiscal Summary

Direct Impact:

Expenditures: Negligible additional expenditures.

Revenues: Significant additional revenues resulting from increased fees.

Indirect Impact:

Likely favorable.

Legislative Summary:

CR-087-2024¹ was introduced by the County Council on September 24th, 2024. It was proposed by the County Executive and sponsored by Council Members Ivey, Watson, Oriadha, Dernoga, and Blegay. The legislation was referred to the Committee of the Whole.

The proposed Table of Fees includes a 20% increase of all fees, along with a 10% Technology fee.²

Current Law/Background:

Section 2-253.63 of the Prince George’s County Code³ 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-082-2021⁴, which provided a 10% increase in fees effective February 14th, 2022. Since that date, there were some specific fees raised under DPIE’s purview, including CR-061-2022, which included fee increases for certain second-review and reinspections.⁵

Resource Personnel:

- Dawit Abraham, P.E., Director, DPIE
 - Lori S. Parris, Senior Advisor, DPIE (Drafter)
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¹ [Prince George's County Council - CR-087-2024](#)

² [CR-087-2024, Attachment B](#)

³ [County Code, §2-253.63](#)

⁴ [CR-082-2021](#)

⁵ [CR-061-2022](#)

Discussion/Policy Analysis:

Permit and licensing review is a labor-intensive process that has challenged the Agency for some time in allocating the resources to perform these functions in a timely manner. DPIE has streamlined the process in part by its online Momentum system, reducing time for staff and applicants in completing permits and licenses, but the process is still resource intensive; in other words, it's costly to the County.

DPIE reviews permitting and licensing fees of surrounding jurisdictions on a periodic basis, and at this point has determined that an increase in overall fees that the Agency maintains is justifiable. As part of this process, DPIE thoroughly reviewed a fee table from Montgomery County's Department of Permitting Services, effective July 1, 2024, that in part was used to compare fees we charge with fees charged in that jurisdiction.

With that said, the County needs to be judicious in raising and setting our permit and licensing fees, especially in relation to other jurisdictions adjacent to us. Looking at median household incomes, Prince George's County is lower in comparison to neighboring counties: Anne Arundel County being about 19% higher; Montgomery County over 28% higher; and Howard County approximately 44% higher in median household income.⁶ Any blanket fee increase for basic residential improvements such as installing a new fence, having a new deck built onto one's house, or even fundamental repairs or alterations within a house may be seen as having equity and accessibility issues for lower-income residents of the County.

Fiscal Impact:

- *Direct Impact*

Adoption of CR-087-2024 will have a favorable impact on the County. DPIE reported that although it is difficult to estimate the increase in revenue by a specific year (permit activity varies), a 20% fee increase on all licensing and permitting fees will have a notable favorable fiscal impact on the County. Estimates from the last overall increase in DPIE fees were estimated to be an increase of \$3.4 million per year⁷; as proposed, a 20% fee increase could provide over \$7 million to county revenue every year henceforth.

- *Indirect Impact*

Adoption of CR-087-2024 could provide an indirect favorable impact to the County in terms of improved inspections and enforcement of County concerns through DPIE. Assuming additional monies from the proposed legislation are directed into the Department, improved quality of life for communities within our jurisdiction could take place through enhanced inspection and enforcement of nuisances like property standards issues, noise concerns, housing and rental

⁶ [NIH HDPulse data](#)

⁷ [CR-082-2021 PAFI](#)

violations, etc. With that said, overall increases in fees are regressive in nature, impacting lower-income residents and businesses the most, and could be seen as prohibitive with some property owners in delays or foregoing projects due to higher permitting or licensing fees. This may delay or eliminate some property improvement projects, which could be seen as inhibiting overall community enhancement.

- *Appropriated in the Current Fiscal Year Budget*

No.

Effective Date of Proposed Legislation:

The proposed Legislation shall be effective on the date of adoption.

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