



March 23, 2026

POLICY ANALYSIS AND FISCAL IMPACT STATEMENT

TO: Committee of the Whole (COW)
THRU: Lavinia Baxter *LB*
Senior Budget and Policy Analysis
FROM: Alex Hirtle *AH*
Legislative Budget and Policy Analyst
RE: Policy Analysis and Fiscal Impact Statement
CB-017-2026 Use & Occupancy Permit Fees

CB-017-2026 (*proposed by:* Council Member Oriadha)

Assigned to the Committee of the Whole (COW)

AN ACT CONCERNING USE AND OCCUPANCY PERMIT FEES for the purpose of establishing specific use and occupancy permit fees for certain uses; creating renewal fees for such uses; establishing a no lapsing Quality of Life Improvement Fund; and generally relating to use and occupancy permit fees.

Fiscal Summary

Direct Impact:

Expenditures: Modest additional expenditures likely.

Revenues: Notable increase in revenues.

Indirect Impact:

Potentially favorable.

Legislative Summary:

CB-017-2026 was presented on March 10th, 2026, and referred to the Committee of the Whole (COW). This bill would establish Use and Occupancy fees for certain Quality of Life Impact Uses and would create a no lapsing Quality of Life Improvement Fund, into which this fee revenue would be deposited. Revenue in this Fund would be used exclusively to support enumerated quality of life improvement programs for County residents.

The Bill amends the Table of Fees to adjust the fee structure for the issuance of Use and Occupancy permits with the following uses:

1. Any commercial business with a Class A beer, wine, and liquor license pursuant to Title 26, Subtitle 9 of the Alcoholic Beverages and Cannabis Article, 22 Annotated Code of Maryland - \$5000
2. Any business that is a tobacco shop, electronic cigarette shop or retail tobacco business use, as prescribed under Part 27-5 of Subtitle 27 of the Code - \$5000
3. Any business that is a commercial use operating pursuant to a State of Maryland 26 Regulated Firearms Dealer's License under Title 5, Subtitle 1 of the Public Safety Article, 27 Annotated Code of Maryland - \$5000
4. Any business that is a consolidated storage use, as prescribed under Part 27-5 of 29 Subtitle 27 of the Code - \$5000

The above businesses are required to remit an annual Use and Occupancy permit renewal fee in the amount of \$5000 per year due every 12 months after the date of initial use and occupancy permit approval. The new fee will be due no later than January 1st, 2027, by existing businesses noted above, and every January 1st thereafter. Non-compliance shall have the Use and Occupancy permit revoked. The Director of the Department of Permitting, Inspections, and Enforcement (DPIE) may grant a 90-day grace period for late renewal fee payments. The fee will be adjusted annually contingent on the Consumer Price Index for All Urban Consumers (CPI-U) for the Washington-Arlington-Alexandria area, published by the Federal Bureau of Labor Statistics of the previous calendar year, or zero percent.

The Office of Finance will create and administer a Quality-of-Life Improvement Fund, in which all fees noted above will be deposited into, and not be reverted to the County fund balance. These funds will be used for the following:

1. Youth, childcare, and educational programs, projects and initiatives
2. Public health and senior wellness programs, projects, and initiatives
3. Public safety, pedestrian safety, and road and transit safety programs, projects and initiatives
4. Economic assistance programs, projects, and initiatives for residents and businesses in socioeconomically disadvantaged circumstances
5. 10% of the fees remitted will be dispersed to the Prince George's County Early Start Child Care Scholarship Fund
6. 5% of the fees remitted will be dispersed to the Child Care Facilities Loan Program

Implementation Summary:

Implementation includes:

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1. Establishing a Quality-of-Life Improvement Fund, Office of Finance
 2. Identifying businesses that will be mandated an increased fee, DPIE
 3. Making administrative adjustments, DPIE
 4. Collection, DPIE and Office of Finance
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Current Law/Background:

CB-017-2026 amends Subtitle 2, Administration, Division 14C “Fees and Charges” of the County Code (specifically, Sec. 2-253.63). It adds to the Code the specific types of businesses that would be mandated to pay higher permit fees, and how that revenue would be dispersed.

The Council has been aware that certain types of businesses create a detrimental impact on the quality of life within that community. Neighborhoods with a high density of alcohol outlets are associated with higher rates of violent crime.¹ Additionally, the Council has passed several pieces of legislation regulating the permitting and operation of tobacco and electronic cigarette shops, and retail tobacco business use,² largely due to the negative externalities of these types of businesses. Gun shops have also been associated with increased crime such as local homicides and robbery rates correlating with the number of such shops in a community.³ Consolidated storage facilities, specifically the non-commercial self-storage businesses that appear to be common throughout many non-residential communities contain their own hazards- the top concerns are documented as weak security and break-ins, which may be a result of poor lighting, and a lack of security cameras; dust, dirt, water, mold and mildew, which can be due to lack of maintenance and location of the facility. Fire hazards were a lower level of concern.⁴

The legislation addresses the negative and detrimental impact on quality of life created by these four types of businesses through raising the fees on the Use and Occupancy Permits and requiring an annual renewal mandate. The revenue from these fees will be used for quality-of-life improvements, including youth and childcare, public health and senior wellness programs, public and transit safety, and economic assistance programs.

Resource Personnel:

¹ [The Association between Density of Alcohol Establishments and Violent Crime within Urban Neighborhoods](#)

² [CB-086-2018](#), [CB-103-2022](#), [CB-009-2023](#), and [CB-031-2023](#) restricted hours of operation, disallowed geographic density of shops, restricted zoning, required distances from public amenities, and clarified the definition of these commercial businesses.

³ <https://contexts.org/articles/gun-shops-and-crime/>

⁴ <https://www.neighbor.com/storage-blog/are-storage-units-safe/>

- Josh Hamlin, Legislative Attorney
- Tre’von Sawyers, Chief of Staff (District 7)
- Lori Paris, Department of Permitting, Inspections, and Enforcement

Discussion/Policy Analysis:

It is not uncommon for jurisdictions to charge varying fees for Use and Occupancy Permits- a quick search with area municipalities and neighboring counties demonstrate that governments have different rates for permitting, often based on administrative costs and the cost of providing direct and related services. The types of businesses this legislation addresses clearly have negative externalities on public safety, health, and in some cases clearly documented increases in violent crime, based on the data provided in the report.

However, the Council should be prepared to justify the rates of increase through the services provided for or due to that specific type of business. For example, if a commercial Class “A” Beer, Wine, and Liquor business requires additional service for the safety and health of the community, it would be advisable to document and quantify the justification of the fee increase- this could be police and first responder visits, inspections to verify regulation adherence, lot cleanliness and parking violations, etc. It would also be advisable to distinguish whether there are sub-groups within the businesses identified in this Bill- does a tobacco shop within an enclosed mall, which is a highly regulated environment with mandated set hours by the mall management, require the same attention and County services as a electronic cigarette or vape shop in a commercial strip center?

The Office of Law through their March 20th, 2026 [memo](#) to the Council found this legislation to be in proper form, and saw no legal impediment to its enactment. However, there is precedent within the court system identifying large increases in permitting fees that were seen as a tax and not a fee increase, citing that the fee must be reasonably related to the licensing process and the cost of providing a related and direct service.⁵ Particular to this case, the legislation mandates the Use and Occupancy Permit fee increase significantly, and also paid on an annual basis, which is not common procedure within the County.

There was limited data on other jurisdictions raising Use and Occupancy fees for alcohol beverage related businesses. The current fee structure for a new commercial building or building addition/alteration in the County is about [\\$371](#) (which includes administrative fees and technology fees); raising this fee to \$5,000 would be about a 1250% increase, and the legislation calls for the fee to be paid annually. Linked to this is State law [§10-206](#) which limits the County’s regulation capacity.

If we look at how neighboring local jurisdictions have attempted to raise Class “A” license fee structures, we understand how significant the State controls the process for local jurisdictions. Montgomery County is uniquely the sole alcohol beverage “control” jurisdiction in the State and have a Department of Liquor Control (DLC). The DLC controls wholesale distribution of all

⁵ [Ohio Court Strikes Down Rental Occupancy Fee - Ohio Realtors.](#)

alcoholic beverages and sales of packaged liquor (with some specific exceptions). The revenue from these functions goes to pay debt service, DLC's budget, and monies to the County's general fund.⁶ However, other counties such as Anne Arundel County recently had a task force that looked at raising fees for liquor licenses, including Class "A" Beer, Wine, & Liquor licenses.⁷ The Report produced recommended raising the fees for Class "A" licenses- the County's Senator's filed [SB-1046-2024](#) with the Maryland General Assembly, but the Bill never made it out of committee, and has since not been re-filed. Washington DC charges notably higher license fees for retailer Class "A" licenses, at [\\$2,600](#) verse [\\$910](#) for Prince George's County. It should also be noted that the Prince George's County Delegation filed [HB-611-2026](#) this session to raise Class "A" licenses in the County approximately 10%.

Points for Consideration:

Given the context of the above discussion and analysis of this legislation, the Committee should consider several points prior to deciding passage:

- Does each category of the four types of businesses this legislation addresses have the same or similar detrimental impact on the quality of life, both within the community its located, and throughout the County?
- Should a type of business category, like tobacco shops, have sub-groups, where the sub-groups have a variable fee structure, according to rates of violations or attention the County needs to provide for that particular sub-group?
- The Bill text may be unclear to a layman reader given the reference of the International Code Council or industry standards cited [paragraph (e)] was not included in the Bill text. It is noteworthy to say that this paragraph remains unchanged in the proposed legislation.
- What entities or organizations will be eligible to utilize disbursements from the Quality-of-Life Improvement Fund? Will it be non-profits in good standing? Agency programs? Council and/or county executive discretionary spending?

Fiscal Impact:

- *Direct Impact*

Enactment of CB-017-2026 will have a favorable direct fiscal impact on the County. The fee increase will provide a notable amount of funds to the newly created Quality of Life Improvement Fund, as well as designated funds to the Prince George's County Early Start Child Care Scholarship Fund and to the Child Care Facilities Loan Program. The Prince George's County Board of License Commissioners reported that there are 142 Class "A" Beer, Wine, and Liquor licenses in our jurisdiction, which alone would create revenue of over \$700,000 annually. At the time of this report, the Department of Permitting, Inspections and Enforcement had not provided full data to make a complete determination the amount the County would receive into this new Quality of Life Improvement Fund, neither initially nor annually.

⁶ [OLOReport2015-6.pdf](#)

⁷ [Anne Arundel County - Office of the County Executive](#)

- *Indirect Impact*

Enactment of CB-017-2026 should have a favorable indirect impact on the County by increasing the funding and resources for programs aimed at youth and childcare, public health and senior wellness programs, public and transit safety, and economic assistance programs. However, the County could see a loss of certain business revenue if a business decided the mandated increase and annual permit fees were unreasonably high and decided to close their business or move outside of the jurisdiction.

- *Appropriated in the Current Fiscal Year Budget*

No.

Policy Implementation Resource/Project Timeline:

At the time of this report, The Department of Permitting, Inspections and Enforcement has not provided a resource/project timeline for this proposed legislation.

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.