



# THE PRINCE GEORGE'S COUNTY GOVERNMENT


## Office of Audits and Investigations

October 11, 2021

### MEMORANDUM

TO: Robert J. Williams, Jr.  
Council Administrator

William M. Hunt  
Deputy Council Administrator

THRU: Josh Hamlin   
Senior Legislative Budget and Policy Analyst

FROM: Malcolm Moody - *MM*  
Legislative Budget and Policy Analyst

RE: Policy Analysis and Fiscal Impact Statement  
CB-096-2021 – Alarm Permit Fee – Commercial and Residential (DR-1)

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**CB-096-2021** (*Proposed by the Chair by request of the County Executive*)

Assigned to Committee of the Whole (COW)

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AN ACT CONCERNING BURGLAR AND HOLDUP ALARM PERMIT FEES AND FALSE ALARM RESPONSE FEES for the purpose of creating parity between fees for commercial and residential burglar and holdup alarm users and for addressing resources required to respond to a false alarm.

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### **Fiscal Summary**

#### **Direct Impact:**

*Expenditures:* None likely.

*Revenues:* Increased revenues due to new permit fees (initial and renewal) for residential users and additional false alarm response fees

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**Indirect Impact:**

Potentially positive.

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**Legislative Summary:**

CB-096-2021, proposed by the Chair at the request of the County Executive was presented on September 28, 2021, and referred to the Committee of the Whole (COW). The purpose of this Bill is to create a new fee structure for residential burglar and holdup alarm users and to reduce responses to false alarms.

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**Resource Personnel:**

Tonya James, Director of Safety Programs, Revenue Authority of Prince George’s County

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**Background/Current Law:**

Under the current law (County Code, Division 9, Subdivision 2), both residential and commercial users need a permit to use an alarm system. The permit requirement assists in the collection of any fees associated with the alarm system. Under §9-211, commercial users are required to pay a fifty dollar (\$50.00) permit fee and biannually apply for a fifty dollar (\$50.00) renewal fee for their permit after the first two years. Under this section, residential users must apply and obtain a permit, but are not assessed any permit or renewal fees.

The County Code (§9-212) also imposes “false alarm response fees” for false alarms from a user’s system. The current fee structure for false alarms imposes no fee for the first three false alarms, imposing a fifty dollar (\$50.00) fee upon the 4<sup>th</sup> false alarm response. The fee amount then escalates with increased false alarm responses, as follows:

<b>FALSE ALARM SIGNAL OCCURRENCE</b>	<b>FALSE ALARM RESPONSE FEE</b>
1st, 2nd, or 3rd	No fee
4th, 5th, or 6th	\$50.00
7th, 8th, or 9th	100.00
10th, 11th, or 12th	150.00
13th or greater	200.00

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**Discussion/Policy Analysis:**

CB-096-2021, if enacted, would establish an Initial Permit Fee and Permit Renewal Fee for residential users (see page 2, lines 9-17 of Draft 1). Under the Bill, there would be a twenty dollar

(\$20.00) nonrefundable, residential alarm permit fee for the first two years. The fee may be paid by the alarm user or the alarm business. Payment shall accompany the application. Beginning with the third year, a nonrefundable biennial residential alarm renewal fee would be required. Draft 1 of the Bill indicates that the biennial renewal fee would be fifty dollars (\$50.00),<sup>1</sup> but conversation with Revenue Authority staff indicates that this amount is intended to be twenty dollars (\$20.00), consistent with the initial fee amount. *This correction would require an amendment to the Bill.*

Several other jurisdictions in the region impose registration fees for alarm systems. In Charles County<sup>2</sup>, there is a \$20 annual fee, with waivers for those over 62 years of age, as well as those with certain conditions. Howard County<sup>3</sup> charges a one-time, \$25 registration fee, while Montgomery County<sup>4</sup> charges a \$30 initial fee with a \$10 biennial renewal fee. Anne Arundel<sup>5</sup> and Baltimore Counties,<sup>6</sup> as well as Baltimore City,<sup>7</sup> do not currently charge a registration fee.

Additionally, the legislation would amend §9-212 to establish that a false alarm response fee begins with the 3rd false alarm from the same system (see page 3, lines 14-15 of Draft 1). Currently, false response fees do not apply until the 4th false alarm from the same system. It would not change any of the escalating fines for successive occurrences, so the table in §9-212, as amended, would be:

<b>FALSE ALARM SIGNAL OCCURRENCE</b>	<b>FALSE ALARM RESPONSE FEE</b>
1st or 2nd	No fee
3rd, 4th, 5th, or 6th	\$50.00
7th, 8th, or 9th	100.00
10th, 11th, or 12th	150.00
13th or greater	200.00

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### **Fiscal Impact:**

#### *Direct Impact*

Enactment of CB-096-2021 will have a positive fiscal impact. Based on the most recent information provided by the Revenue Authority, the imposition of a biennial permit fee for residential users will result in additional revenue. The absolute high-end estimate of the impact would be a revenue increase of approximately three million, three hundred forty seven thousand and eighty dollars (\$3,347,080) every two years when fully implemented. This number is calculated using the Revenue Authority's total residential alarm registration number (167,354) times the new \$20 fee, spread over the two year permit-renewal cycle. This estimate should be taken with some caution, as some of the registrations may be for systems that are no longer active

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<sup>1</sup> Draft 1 of the Bill also references "commercial" permit under the residential permit renewal provision.

<sup>2</sup> [http://www.charlescounty.org/webdocs/es/faru/faru\\_brochure\\_final.pdf](http://www.charlescounty.org/webdocs/es/faru/faru_brochure_final.pdf)

<sup>3</sup> <https://www.howardcountymd.gov/sites/default/files/2021-05/false%20alarm%20faqs.pdf>

<sup>4</sup> <https://www.montgomerycountymd.gov/pol/howdoI/burglary-alarms.html>

<sup>5</sup> [https://www.crywolfservices.com/annearundelmd/pdfViewer.aspx?Prevention/Frequently\\_Asked\\_Questions.pdf](https://www.crywolfservices.com/annearundelmd/pdfViewer.aspx?Prevention/Frequently_Asked_Questions.pdf)

<sup>6</sup> <https://www.baltimorecountymd.gov/departments/budfin/customerservice/falsealarms/index.html>

<sup>7</sup> <https://dhcd.baltimorecity.gov/sites/default/files/False%20Alarm%20Reduction%20Program%20Brochure.pdf>

and thus will never be registered with a fee. Also, several thousand new systems are registered each year, which should result in increasing revenue going forward. For example, 13,304 residential registrations were entered in CY2019, and 8,692 were entered in CY2020.

The imposition of false alarm response fees beginning with the third false alarm will also result in a revenue increase. Using the most recent information from the Revenue Authority (CY2020), additional fees collected on third false alarms would amount to sixty eight thousand, nine hundred (\$68,900) annually. This number will fluctuate from year to year as the number of false alarms changes.

The Revenue Authority reports that it uses a third party vendor for its alarm registration program, and that the vendor will be able to make the adjustments to their forward facing digital platforms and through direct mail to ensure a seamless transition for residents. The Revenue Authority will not need to increase staffing to implement the changes under CB-096-2021.

*Indirect Impact*

Enactment of CB-096-2021 may result in a positive indirect fiscal impact in that it may have a greater deterrent effect on false alarms that are caused due to user negligence, and thus may reduce the expenditure of County resources on responding to false alarms.

*Appropriated in the Current Fiscal Year Budget*

No.

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**Effective Date of Proposed Legislation:**

The proposed legislation shall take effect forty-five (45) calendar days after it becomes law.

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