

PRINCE GEORGE'S COUNTY COUNCIL

COMMITTEE REPORT

2022 Legislative Session

Reference No.: CB-036-2022

Draft No.: 2

Committee: PLANNING, HOUSING & ECONOMIC DEVELOPMENT

Date: 6/2/2022

Action: FAV(A)

REPORT:

Committee Vote: Favorable as amended, 5-0 (In favor: Council Members Franklin, Glaros, Hawkins, Harrison, and Turner)

The Planning, Housing, and Economic Development (PHED) Committee convened on June 2, 2022, to consider CB-36-2022. This legislation was transmitted by the County Executive for the Council's consideration to enact a new late fee of one hundred dollars (\$100) to renew an expired business license. CB-36-2022 was discussed in conjunction with CR-62-2022, also transmitted by the County Executive for the Council's consideration to adopt the new fee as outlined above. The PHED Committee Director summarized the purpose of the legislation and informed the Committee of written comments received on referral.

The Office of Law reviewed CB-36-2022 as it was presented on May 17, 2022, and found it to be in proper legislative form. The Office of Law sees no legal impediments to its adoption. The Office of Audits and Investigations submitted a June 1, 2022, Policy Analysis and Fiscal Impact Statement that included the following Discussion/Policy Analysis and Fiscal Impact:

Discussion/Policy Analysis:

CB-036-2022, if enacted, and CR-062-2022, if adopted, would potentially incentivize timely submission of business license renewals before deadlines pass. Enacting CB-036-2022 and adopting CR-062-2022, should require no additional costs to DPIE, as they do not impose any additional responsibilities, but merely establish a new fee. The increased compliance should provide benefits to the community by ensuring more compliant businesses and abiding by the licensing standards set by DPIE.

Fiscal Impact:

• Direct Impact

Enactment of CB-036-2022 and the adoption of CR-062-2022 should require no additional expenditures. Revenue should increase as a late fee is established at \$100, with the amount of the increase tied to the number of late renewals. If the fee is successful, these additional revenues should diminish over time as compliance increases.

- Indirect Impact

Enactment of CB-036-2022 and the adoption of CR-062-2022 could have a positive indirect impact by increasing the efficiency of DPIE with staff workload through incentivizing permittees to submit the required information for the business license renewal process before the deadline in the approval of their permits.

DPIE Director Melinda Bolling and Lori Parris, Senior Adviser to the Director, joined the meeting to provide additional background on the legislation and respond to Council Members' questions. Ms. Bolling explained that the new fee is intended to increase compliance in this jurisdiction given that the Department has found that business entities are not renewing their licenses.

PHED Committee Chairman Franklin requested an amendment to provide that if there is a pending application, the fee will not be charged.

In response to Council Member Glaros' inquiry regarding existing Code language in the bill stating that changes to fees and charges that are not connected to the International Code Council or industry standards shall be changed by County Council approval by resolution, after notice and public hearing, the Council's Zoning and Legislative Counsel commented that the language should remain given that it provides a formula for the fee or fee increase.

Council Member Turner requested confirmation from the Council's Zoning and Legislative Counsel that the fee is exempt from Question I, Section 813, of the County Charter. Mr. Turner also requested that DPIE provide the total number of business licenses prior to the County Council's next discussion of this legislation.

The Committee suggested that DPIE continue outreach and public information sessions as required in the Code to advise the industry of proposed fee increases.

Following discussion, Council Member Turner made a motion, seconded by Council Chair Hawkins, for a favorable recommendation on CB-36-2022 including the amendment requested by PHED Committee Chair Franklin to provide that a pending application is not subject to the fee.