




THE PRINCE GEORGE'S COUNTY GOVERNMENT
Office of Audits and Investigations

June 20, 2016

MEMORANDUM

TO: Robert J. Williams, Jr.
Council Administrator

William M. Hunt
Deputy Council Administrator

FROM: David H. Van Dyke 
County Auditor

RE: Fiscal Impact Statement
CR-050-2016 School Facilities Surcharge

At your request, we have reviewed CR-050-2016, to estimate the proposed Resolution's fiscal impact on Prince George's County, Maryland.

CR-050-2016 adjusts the County's school facilities surcharge for annual changes in the CPI rate for Fiscal Year 2017, beginning July 1, 2016, as required by State law. The Consumer Price Index (CPI) for All Urban Consumers shows a percentage change increase of 1.1% between April 2015 and April 2016. Applying the increase of 1.1% to the current FY 2016 school facilities surcharge rates of \$9,017 (properties inside the beltway or inside an area included in certain basic plans or conceptual site plans) and \$15,458 (all other properties) produces new FY 2017 school facilities surcharge rates of \$9,116 and \$15,628, reflecting an increase of \$99 and \$170, respectively.

Based on a fiscal year estimate of 1,900 residential building permits being subject to the school facilities surcharge, with approximately 87% of the residential building permits issued for properties outside of the beltway and 13% issued properties inside the beltway or inside an area included in certain basic plans or conceptual site plans, total school facilities surcharge revenues in FY 2017 are estimated at approximately \$28,084,736. Applying the 1.1% inflation adjustment, as proposed in CR-050-2016, will result in an estimated increase of \$305,463 in school facilities surcharge revenues than what would have been generated from the existing FY 2016 school facilities surcharge rates, based on the number of building permits estimated.

Adoption of CR-050-2016 will increase County revenues by an estimated \$305,463 in FY 2017, based on an estimated 1,900 permits subject to the surcharge.

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

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