





June 10, 2025

**FISCAL AND POLICY NOTE**

TO: Colette R. Gresham, Esq.  
Interim Council Administrator

Karen T. Zavakos  
Associate Council Administrator

THRU: Josh Hamlin   
Director of Budget and Policy Analysis

FROM: Roger G. Banegas   
Legislative Budget and Policy Analyst

RE: Policy Analysis and Fiscal Impact Statement  
CR-074-2025, Public Safety and Behavioral Health Surcharge

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**CR-074-2025** (*Proposed by:* The Chair of the Council at the request of the County Executive)

Assigned to the Committee of the Whole (COW)

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A RESOLUTION CONCERNING PUBLIC SAFETY AND BEHAVIORAL HEALTH SURCHARGE for the purpose of adjusting the Public Safety and Behavioral Health Surcharge for Fiscal Year 2026, beginning July 1, 2025, as required by State law.

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**Fiscal Summary**

**Direct Impact:**

*Expenditures:* No expenditure impact.

*Revenues:* Likely increase in revenues due to the higher charge.

**Indirect Impact:**

None likely.

## Legislative Summary

CR-074-2025<sup>1</sup>, proposed by the Chair at the request of the County Executive, was introduced on June 10, 2025, and referred to the Committee of the Whole. CR-074-2025 would set the Public Safety and Behavioral Health Surcharge in Fiscal Year 2026 for permits issued within the Developed Tier (as defined by the Maryland-National Capital Park and Planning Commission (M-NCPPC) in the Approved General Plan) at \$3,303 and \$9,903 for permits of all other buildings.

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## Current Law/Background

Prince George's County Code (the "Code") Section 10-192.11(a) authorizes the County Council to impose a public safety surcharge on new residential construction for which a Preliminary Plan has been approved on or after July 1, 2005. Section 4-352 of the Code requires an annual adjustment of the established public safety surcharge for inflation, in accordance with the Consumer Price Index for All Urban Consumers (CPI-U) published by the U.S. Department of Labor, for the fiscal year preceding the year for which the amount is being calculated, pursuant to State Law. The Fiscal Year 2025 public safety surcharge is \$3,229 for permits issued inside the Developed Tier and inside an area included in a certain basis or conceptual site plan and \$9,680 for permits issued for all other buildings. The surcharge collection occurs upon the issuance of a building permit after approval of the preliminary plan.

Chapter 567 of the 2021 Laws of Maryland expanded the use of the County's existing public safety surcharge to include behavioral health programs.<sup>2</sup> With this expansion, revenue collected via the Surcharge may be used only for the following:

- The construction or rehabilitation of public safety facilities.
- The purchase of equipment or communications devices used in connection with law enforcement, firefighting, or emergency services activities, including protective body armor, surveillance devices, weapons, ladder trucks, ambulances, police cruisers, and rescue vehicles.
- The operation of behavioral health programs offered by the County; or
- The construction or rehabilitation of behavioral health program facilities in the County.<sup>3</sup>

Section 10-192.11(g) requires the County Executive to prepare an annual report to include a detailed description of how the surcharge revenues were expended and the amount that was collected on or before October 31 of each year for the County Council, the Prince George's County Senate Delegation, and the Prince George's County House Delegation.

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## Resource Personnel

- David B. Juppe, Office of Management and Budget

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<sup>1</sup> CR-074-2025

<sup>2</sup> <https://mgaleg.maryland.gov/mgaweb/Legislation/Details/hb0977/?ys=2021rs>

<sup>3</sup> <https://mgaleg.maryland.gov/mgaweb/Legislation/Details/hb0977/?ys=2021rs>

- Stanley A. Earley, Office of Management and Budget

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### Discussion/Policy Analysis

With the enactment of House Bill 977<sup>4</sup> during the 2021 Regular Legislative Session, the authorized uses for revenues received from the surcharge expanded to include behavioral health program expenditures and the construction or rehabilitation of behavioral health program facilities. Mental health is a critical component of overall health and wellness; therefore, the additional permissible uses of this funding source allow for expanding behavioral health services within the County, thereby bolstering the continuum of care for those most in need. These services include mental health, substance misuse services, and alcohol and drug prevention programs, to name a few.

The Consumer Price Index for All Urban Consumers during April 2024 compared to April 2025 shows an inflation rate of 2.3%.<sup>5</sup> This legislation would increase the surcharge for permits issued inside Transportation Service Area 1 by \$74 to \$3,303 and by \$223 to \$9,903 for permits outside Transportation Service Area 1.

Fiscal Year	Transportation Service Area 1	All Other Buildings
2011	\$2,240	\$6,718
2012	\$2,312	\$6,933
2013	\$2,365	\$7,092
2014	\$2,391	\$7,170
2015	\$2,439	\$7,314
2016	\$2,434	\$7,299
2017	\$2,461	\$7,379
2018	\$2,515	\$7,541
2019	\$2,578	\$7,730
2020	\$2,630	\$7,885
2021	\$2,638	\$7,909
2022	\$2,749	\$8,241
2023	\$2,977	\$8,925
2024	\$3,123	\$9,362
2025	\$3,229	\$9,680
2026	3,303	\$9,903 <sup>6</sup>

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<sup>4</sup> [HB-977 2021](#)

<sup>5</sup> [Bureau of Labor Statistics, Consumer Price Index, April 2025](#)

<sup>6</sup> [Sec. 10-192.01 of the Prince George's County Code](#)

## **Fiscal Impact**

### *Direct Impact*

Adoption of CR-074-2025 will likely have a favorable direct fiscal impact, dependent upon permit and development activities, via the increased amount of the surcharges. According to the School Facilities and Public Safety and Behavioral Health Surcharge Annual Report<sup>7</sup> provided by the Office of Management and Budget, in FY 2024 (the last complete fiscal year as of the date of the Report), the surcharge raised approximately \$17.6 million, which was used to fund capital projects, Fire/EMS services, and a 25% allocation to municipalities.

### *Indirect Impact*

Adoption of CR-074-2025 is unlikely to have an indirect fiscal impact on the County.

### *Appropriated in the Current Fiscal Year Budget*

The Public Safety and Behavioral Health Surcharge appropriation included within the FY 2026 approved capital budget to offset debt service principal and interest costs includes the 2.3% inflationary adjustment.

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## **Effective Date of Proposed Legislation**

The proposed Resolution shall be retroactively effective on July 1, 2025.

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Please call or email me if you require additional information or have questions about this fiscal impact statement.

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<sup>7</sup> [FY 2024 Public Safety and Behavioral Health Report](#)