



# THE PRINCE GEORGE'S COUNTY GOVERNMENT


## Office of Audits and Investigations

July 11, 2017

### 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-057-2017 School Facilities Surcharge

At your request, we have reviewed CR-057-2017, to estimate the proposed Resolution's fiscal impact on Prince George's County, Maryland.

CR-057-2017 adjusts the County's school facilities surcharge for annual changes in the CPI rate for Fiscal Year 2018, beginning July 1, 2017, as required by State law. The Consumer Price Index (CPI) for All Urban Consumers shows a percentage change increase of 2.2% between April 2016 and April 2017. Applying the increase of 2.2% to the current FY 2017 school facilities surcharge rates of \$9,116 (properties inside the beltway, or inside an area included in certain basic plans or conceptual site plans) and \$15,628 (all other properties) produces new FY 2018 school facilities surcharge rates of \$9,317 and \$15,972, reflecting an increase of \$201 and \$344, respectively.

Based on a fiscal year estimate of 1,500 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 for properties inside the beltway or inside an area included in certain basic plans or conceptual site plans, total school facilities surcharge revenues in FY 2018 are estimated at approximately \$22,660,275. Applying the 2.2% inflation adjustment, as proposed in CR-057-2017, will result in an estimated increase of \$488,115 in school facilities surcharge revenues than what would have been generated from the existing FY 2017 school facilities surcharge rates, based on the number of building permits estimated.

Adoption of CR-057-2017 may increase County revenues by an estimated \$488,115 in FY 2017, based on an estimated 1,500 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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