



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-056-2017 Public Safety Surcharge

At your request, we have reviewed CR-056-2017, to estimate the proposed Resolution's fiscal impact on Prince George's County, Maryland.

CR-056-2017 adjusts the County's public safety 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 2.2% increase to the current FY 2017 public safety surcharge rates of \$2,461 (Developed Tier, as defined by the Maryland-National Capital Park and Planning Commission in the Prince George's County Approved General Plan, and inside an area included in certain basic plans or conceptual site plans) and \$7,379 (all other buildings) produces new FY 2018 public safety surcharge rates of \$2,515 (Developed Tier, as defined by the Maryland-National Capital Park and Planning Commission in the Prince George's County Approved General Plan and inside an area included in certain basic plan or conceptual site plans) and \$7,541 (all other buildings), reflecting an increase of \$54 and \$162, respectively.

Information provided by staff in the Office of Permits, Inspections and Enforcements indicates that 821 residential permits were subject to the public safety surcharge, equating to a collection of \$4,387,792 in fees for fiscal year 2017. Assuming the number of permits issued subject to the surcharge during fiscal year 2018 remains flat, with approximately 41% issued for properties within the Developed Tier, or areas included in certain basic or conceptual site plans, and 59% issued for all other buildings, total public safety surcharge revenues in FY 2018 are estimated at approximately \$4,482,321. Applying the 2.2% inflation adjustment, as proposed in CR-056-2017, will result in an estimated increase of approximately \$95,000 in public safety surcharge revenues than what would have been generated from the existing FY 2017 public safety surcharge rates, based on the estimated number of building permits subject to the surcharge.

Adoption of CR-056-2017 may increase County revenues by an estimated \$95,000 in FY 2018, based on an estimated 821 permits being issued subject to the surcharge.

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

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