

Prince George's County Council

Agenda Item Summary

Meeting Date: 6/21/2011
Reference No.: CR-050-2011
Draft No.: 1
Proposer(s): County Executive
Sponsor(s): Turner
Item Title: A Resolution concerning Public Safety Surcharge for the purpose of adjusting the Public Safety Surcharge for inflation for Fiscal Year 2012, beginning July 1, 2011, as required by State Law

Drafter: James L. Abernathy, OMB
Resource Personnel: James L. Abernathy, OMB

LEGISLATIVE HISTORY:

Date Presented:		Executive Action:	
Committee Referral:	6/14/2011 - PSFM	Effective Date:	7/1/2011
Committee Action:	6/15/2011 - FAV		
Date Introduced:	6/14/2011		
Public Hearing:			
Council Action (1)	6/21/2011 - ADOPTED		
Council Votes:	WC:A, MRF:A, AH:-, LJ:A, ML:A, EO:A, OP:A, IT:A, KT:A		
Pass/Fail:	P		
Remarks:			

AFFECTED CODE SECTIONS:

COMMITTEE REPORTS:

Public Safety and Fiscal Management **Date 6/15/2011**
REPORT: Committee Vote: Favorable: 4-0, (In favor: Council Members Campos, Franklin, Patterson, and Toles)

This Resolution will adjust the Public Safety surcharge for inflation based upon the Consumer Index (CPI) for all Urban Consumers effective July 1, 2011, as required by State Law. The CPI shows an inflation rate of 3.2% for April 2011 compared to April 2010 rate of 2.2%. Applying the inflation rate of 3.2% to the current public safety surcharge rate of \$2,240 for residential permits issued for the Developed Tier and \$6,718 for permits outside of the Developed Tier, the FY 2012 public safety rate is increased to \$2,312 for the Developed Tier and \$6,933 for the outside the Developed Tier reflecting an increase of \$72 and \$215, respectively.

According to FY2011 data received by the Office of Audits and Investigations approximately 200 permits were estimated as subject to public safety surcharge. The number of residential building permits issued for properties outside of the Developed Tier is approximately 87% and 13% for properties within the Developed Tier. Using these assumptions the total estimated public safety surcharge revenues in FY-2012 is approximately \$1,287,253.

The low level of revenue collected is related to the initial legislation that exempted building permits related to new

residential construction with approved plans prior to July 1, 2005.

The Office of Law has reviewed this resolution and finds it to be in proper legislative form with no legal impediments to its adoption.

BACKGROUND INFORMATION/FISCAL IMPACT:

(Includes reason for proposal, as well as any unique statutory requirements)

Pursuant to Chapter 594 of the 2005 Laws of Maryland, the public safety surcharge is required to be adjusted each fiscal year for inflation pursuant to the Consumer Price Index for All Urban Consumers.

The Consumer Price Index for All Urban Consumers for the twelve months ending April 2011 shows an increase of 3.2% and results in an increase of \$72 above the Fiscal Year 2011 public safety surcharge of \$2,240 for residential permits issued inside the Developed Tier and an increase of \$215 above the Fiscal Year 2011 public safety surcharge of \$6,718 for residential permits issued for all other buildings.

For Fiscal Year 2012, the public safety surcharge shall be \$2,312 for residential permits issued for construction located inside the Developed Tier and \$6,933 for all other buildings.

CODE INDEX TOPICS:

INCLUSION FILES:
