Prince George's County Council Agenda Item Summary

Meeting Date: 9/29/2009 **Reference No.:** CR-064-2009

Draft No.: 1

Proposer(s): County Executive

Sponsor(s): Bland

Item Title: A Resolution concerning Public Safety Surcharge for the purpose of adjusting the public

safety surcharge for Fiscal Year 2010, beginning July 1, 2009, as required by State and

County Law

Drafter: James L. Abernathy, Office of Management and Budget **Resource Personnel:** James L. Abernathy, Office of Management and Budget

LEGISLATIVE HISTORY:

Date Presented: Executive Action:

Committee Referral: 9/15/2009 - PSFM **Effective Date:** 7/1/2009

Committee Action: 9/16/2009 - FAV

Date Introduced: 9/15/2009

Public Hearing:

Council Action (1) 9/29/2009 - ADOPTED

Council Votes: MB:A, WC:A, SHD:A, TD:A, CE:A, AH:A, TK:A, EO:A, IT:A

Pass/Fail: P

Remarks:

AFFECTED CODE SECTIONS:

COMMITTEE REPORTS:

Public Safety and Fiscal Management

Date 9/16/2009

Committee Vote: Favorable (5-0) (In Favor: Councilmembers Exum, Knotts, Bland, Campos and Turner)

This resolution will adjust the public safety surcharge for inflation based upon the Consumer Price Index (CPI) for all Urban Consumers effective July 1, 2009, as required by State Law. The CPI shows a deflation rate of 0.7% for April 2009 compared to April 2008. Applying the deflation rate of 0.7% to the current public safety surcharge rate of \$2,207 for the Developed Tier and \$6,619 for permits outside the Developed Tier, the FY2010 public safety surcharge rate is decreased to \$2,192 for the Developed Tier and \$6,573 for outside the Developed Tier reflecting a decrease of \$15 and \$46, respectively.

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

According to data from the Department of Environmental Resources a small number of new buildings permits were subject to the public safety surcharge in FY-2009. The current amount collected for FY 2009 is approximately \$29,381. At the present time, no revenues have been reported for the first two month of FY-2010. The decrease in

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revenue collected is directly related to the legislative provision that exempted building permits related to new residential construction with approved plans prior to July 1, 2005. Because of this exemption a number of the residential housing units are not subject to the surcharge. Also, the economic downturn has contributed to the small amount of public safety surcharges in FY 2009. By comparison, the amount reported in FY 2008 public safety surcharge revenue slightly exceeded \$794,000.

The fiscal impact will decrease the County revenues as a result of adopting CR-64-2009. The level of decreased revenue will be incidental and cannot be projected as this time.

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 and Chapter 32 of the 2005 Laws of Prince George's County, the public safety surcharge is required to be adjusted each year by the percentage change in the Consumer Price Index for All Urban Consumers.

The Consumer Price Index for All Urban Consumers, during the period of April 2008 to April 2009 compared to the 12 month period ending April 2008, shows a deflation rate of 0.7% and results in a decrease of \$15 below the Fiscal Year 2009 public safety surcharge of \$2,207 for permits issued inside the Developed Tier and a decrease of \$46 below the Fiscal Year 2009 public safety surcharge of \$6,619 for permits issued for all other buildings. For Fiscal Year 2010, the public safety surcharge shall be \$2,192 for permits issued for construction located inside the Developed Tier and \$6,573 for all other buildings.

CODE INDEX TOPICS:	
INCLUSION FILES:	