Prince George's County Council Agenda Item Summary

Meeting Date: 6/22/2010 **Reference No.:** CR-055-2010

Draft No.: 1

Proposer(s): County Executive

Sponsor(s): Knotts

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

Safety Surcharge for inflation for Fiscal Year 2011, beginning

July 1, 2010, as required by State 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: 6/15/2010 - PSFM **Effective Date:** 7/1/2010

Committee Action: 6/16/2010 - FAV

Date Introduced: 6/15/2010

Public Hearing:

Council Action (1) 6/22/2010 - ADOPTED

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

Pass/Fail:

Remarks:

AFFECTED CODE SECTIONS:

COMMITTEE REPORTS:

Public Safety and Fiscal Management

Date 6/16/2010

COMMITTEE VOTE: 5-0 Favorable (In Favor Council Members Exum, Campos, Dean, Harrison, and Turner)

This resolution will adjust the Public Safety surcharge for inflation based upon the Consumer Index Price (CPI) for All Urban Consumers effective July 1, 2010 as required by State Law. The CPI shows an inflation rate of 2.2% for April 2010 compared to April 2009. Applying the inflation rate of 2.2% to the current public safety surcharge rate of \$2,192 for the Developed Tier and \$6,573 for permits outside of the Developed Tier, the FY 2011 public safety rate is increased to \$2,240 for the Developed Tier and \$6,718 for outside the Developed Tier reflecting an increase of \$48 and \$145, respectively.

According to data from the Department of Environmental Resources approximately 200 of the projected 1,892 residential building permits will be subject to the public safety surcharge in FY 2011. 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. The total estimated public safety surcharge revenue in FY 2011 is \$1,227,172.

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The low level of revenue collected is related to a provision in the initial legislation that exempted building permits related to new residential construction which had plans approved prior to July 1, 2005.

The adoption of CR-55-2010 will have a positive impact on the County with the increase revenue estimated at \$26,478.

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, during the period of April 2009 to April 2010 compared to the 12 month period ending April 2009, shows an increase of 2.2% and results in an increase of \$48 above the Fiscal Year 2010 public safety surcharge of \$2,192 for permits issued inside the Developed Tier and an increase of \$145 above the Fiscal Year 2010 public safety surcharge of \$6,573 for permits issued for all other buildings. For Fiscal Year 2011, the public safety surcharge shall be \$2,240 for permits issued for construction located inside the Developed Tier and \$6,718 for all other buildings, be and the same is hereby approved, effective July 1, 2010.

CODE INDEX TOPICS:	
INCLUSION FILES:	