

Prince George's County Council

Agenda Item Summary

Meeting Date: 6/30/2014
Reference No.: CR-056-2014
Draft No.: 1
Proposer(s): County Executive
Sponsor(s): Franklin
Item Title: A Resolution concerning the Public Safety Surcharge for the purpose of adjusting the Public Safety Surcharge to reflect changes in inflation for Fiscal Year 2015, as required by State law

Drafter: Adewale Dada/Beth V. McCoy, Office of Management and Budget
Resource Personnel: Adewale Dada, Office of Management and Budget
Beth V. McCoy, Office of Management and Budget

LEGISLATIVE HISTORY:

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|----------------------------|--|--------------------------|----------|
| Date Presented: | | Executive Action: | |
| Committee Referral: | 6/17/2014 - PSFM | Effective Date: | 7/1/2014 |
| Committee Action: | 6/26/2014 - FAV | | |
| Date Introduced: | 6/17/2014 | | |
| Public Hearing: | | | |
| Council Action (1) | 6/30/2014 - ADOPTED | | |
| Council Votes: | WC:-, DLD:A, MRF:A, AH: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 6/26/2014

COMMITTEE VOTE: 3-0 FAVORABLE(Councilmembers: Toles, Harrison, 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, 2014, as required by State law. The CPI shows an inflation rate of 2.0% between April 2013 to April 2014. The increase results in a change in the Public Safety Surcharge for FY 2014. Applying the inflation rate of 2.0% to the current Public Safety Surcharge rate of \$2,391 for residential permits issued inside the Developed Tier and inside an area included in a certain Basic Plan or Conceptual Site Plan and \$7,170 for permits issued for all other buildings. The FY 2015 Public Safety Surcharge rate is increased to \$2,439 for permits issued for construction located inside the Develop Tier and \$7,314 for permits for all other buildings reflecting an increase of \$48 to \$144 respectively.

Based on the previous fiscal year's estimate of 200 permits being subject to the Public Safety Surcharge, with approximately 87% of the residential building permits issued for properties outside of the Developed Tier and 13% issued for properties within the Developed Tier total Public Safety Surcharge revenues in FY 2015 are estimated at

approximately \$1,336,050. Applying the 2.0% inflation adjustment, as proposed in CR-56-2014, will generate an estimated \$26,304 more in Public Safety Surcharge revenues than what would have been generated from the existing FY 2014 Public Safety Surcharge rates, based on the building permits estimated.

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

The adoption of CR-56-2014 will have a positive fiscal impact on the County with the estimated increase revenues of approximately \$26,304 in FY 2015.

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 (CPI-U). The CPI-U for April 2014 shows an increase of 2.0% and results in a surcharge increase of \$48 above the Fiscal Year 2014 Public Safety Surcharge of \$2,391 for permits issued inside the Developed Tier and inside an area included in a certain basic plan or conceptual site plan. The increase in the CPI-U results in a surcharge increase of \$144 above the Fiscal Year 2014 public safety surcharge of \$7,170 for permits issued for all other buildings.

For Fiscal Year 2015, the Public Safety Surcharge shall be \$2,439 for permits issued for construction located inside the Developed Tier, as defined by the Maryland-National Capital Park and Planning Commission in the Prince George's County Approved General Plan, and in an area included in a basic plan or conceptual site plan that abuts an existing or planned mass transit rail station site operated by the Washington Metropolitan Area Transit Authority and that complies with the requirements of any sector plan, master plan or overlay zone approved by the Prince George's County District Council. The Public Safety Surcharge for Fiscal Year 2015 shall be \$7,314 for all other buildings.

CODE INDEX TOPICS:

INCLUSION FILES:
