

Prince George's County Council

Agenda Item Summary

Meeting Date: 6/30/2014
Reference No.: CR-055-2014
Draft No.: 1
Proposer(s): County Executive
Sponsor(s): Franklin
Item Title: A Resolution concerning School Facilities Surcharge for the purpose of adjusting the school facilities surcharge for 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/Beth V. McCoy, Office of Management and Budget

LEGISLATIVE HISTORY:

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 (In Favor: Council Members Toles, Harrison, and Turner)

This Resolution will adjust the School Facilities 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% for April 2014 compared to a rate of 1.1% for April 2013. Applying the inflation rate of 2.0% to the current FY-2014 School Facilities Surcharge rate of \$8,858 for permits issued for buildings between Interstate 495 and the District of Columbia and for permits issued for buildings included within 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 (WMATA), the increase will be \$177. The School Facilities Surcharge for permits issued for all other buildings will be increased by \$304.

For Fiscal Year 2015, the School Facilities Surcharge will be \$9,035 for permits issued for buildings located between Interstate 495 and the District of Columbia, for permits issued for buildings included with a basic plan or conceptual site plan that abuts an existing planned mass transit rail station site operated by WMATA and \$15,489 for permits issued for all other buildings.

Based on the previous fiscal year's estimate of 1,900 residential buildings permits being subject to the School Facilities Surcharge, with approximately 87% of the residential building permits issued for properties outside of the beltway and 13% issued for properties inside the beltway or for certain properties abutting an existing or planned WMATA mass transit real station, total surcharge revenues in FY 2015 are estimated at approximately \$27,834,962. Applying the 2.0% inflation adjustment will generate an estimated \$546,231 more in surcharge revenues than would have been generated from the existing FY 2014 surcharge rates, based on the number of building permits estimated.

There will be a positive fiscal impact on the County in the estimated amount of \$546,234 with the adoption of CR-55-2014.

BACKGROUND INFORMATION/FISCAL IMPACT:

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

Pursuant to Section 10-192.01(b)(1)(B) of the Prince George's County Code, the school facilities surcharge is required to be adjusted for inflation pursuant to the Consumer Price Index for All Urban Consumers each fiscal year beginning in Fiscal Year 2005.

The Consumer Price Index for All Urban Consumers (CPI-U) for April 2014, compared to April 2013, shows an increase of 2.0%. The increase results in a surcharge of \$177 above the Fiscal Year 2014 school facilities surcharge of \$8,858 for permits issued for buildings between Interstate Highway 495 and the District of Columbia and for permits issued for buildings included within 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. For permits for all other buildings, the increase in the CPI-U results in a surcharge increase of \$304 above the Fiscal Year 2014 school facilities surcharge of \$15,185.

Unless a building is exempt under Section 10-192.01 or qualifies for a 50% reduction in the school facilities surcharge pursuant to Chapter 685 of the 2013 Laws of Maryland, the following Fiscal Year 2015 school facilities surcharges apply:

- For permits issued for buildings located either (1) between Interstate Highway 495 and the District of Columbia; or (2) included within 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, the surcharge shall be \$9,035; and
- For permits issued for all other buildings, the surcharge shall be \$15,489.

CODE INDEX TOPICS:

INCLUSION FILES:
