

# PRINCE GEORGE'S COUNTY COUNCIL

## COMMITTEE REPORT

2014 Legislative Session

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<b>Reference No.:</b>	CR-55-2014
<b>Draft No.:</b>	1
<b>Committee:</b>	PUBLIC SAFETY AND FISCAL MANAGEMENT
<b>Date:</b>	06-26-2014
<b>Action:</b>	<b>FAVORABLE</b>

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**REPORT:** 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.