



# THE PRINCE GEORGE'S COUNTY GOVERNMENT

## Office of Audits and Investigations

June 9, 2020

### FISCAL AND POLICY NOTE

TO: Robert J. Williams, Jr.  
Council Administrator

William M. Hunt  
Deputy Council Administrator

THRU: Josh Hamlin *JRH*  
Senior Legislative Budget and Policy Analyst

FROM: Inez N. Claggett *INC*  
Senior Legislative Budget and Policy Analyst

RE: Policy Analysis and Fiscal Note  
CR-043-2020 Public Safety Surcharge

---

**CB-043-2020** (*Proposed and presented by:* The Chair of the Council at the request of the County Executive)

Assigned to the Committee of the Whole

---

**A RESOLUTION CONCERNING PUBLIC SAFETY SURCHARGE** for the purpose of adjusting the public safety surcharge for Fiscal Year 2021, beginning July 1, 2020, as required by State Law.

---

### **Fiscal Summary**

#### **Direct Impact:**

*Expenditures:* None.

*Revenues:* Potentially positive due to the increase in the assessment rate.

**14741 Governor Oden Bowie Drive, Upper Marlboro, Maryland 20772**  
**VOICE (301) 952-3431; FAX (301) 780-2097; TDD (301) 925-5167**

**Indirect Impact:**

No impact.

---

**Current Law/Background:**

Prince George's County Code (the "Code") Section 10-192.11(a) authorizes the County Council to impose a public safety surcharge on new residential construction for which a Preliminary Plan has been approved on, or after, July 1, 2005. Section 4-352 of the Code requires annual adjustment of the established public safety surcharge for inflation, in accordance with the Consumer Price Index for All Urban Consumers (CPI-U) published by the U.S. Department of Labor, for the fiscal year preceding the year for which the amount is being calculated, pursuant to State Law. The fiscal year 2020 public safety surcharge is \$2,630 for permits issued inside the Developed Tier and inside an area included in a certain basis or conceptual site plan, and \$7,885 for permits issued for all other buildings. The collection of the surcharge occurs upon the issuance of a building permit, after approval of the preliminary plan.

---

**Discussion/Policy Analysis:**

Pursuant to State law, **CR-043-2020** seeks to amend the Fiscal Year 2021 public safety surcharge for inflation based upon the change in the Consumer Price Index for All Urban Consumers (CPI-U).

The CPI-U shows an increase of 0.3% between April 2019 and April 2020. Applying the 0.3% increase to the current (FY 2020) public safety surcharge rates of \$2,630 (Developed Tier, as defined by the Maryland-National Capital Park and Planning Commission in the Prince George's County Approved General Plan, and inside an area included in certain basic plans or conceptual site plans) and \$7,885 (all other buildings) produces new FY 2021 public safety surcharge rates of \$2,638 (Developed Tier, as defined by the Maryland-National Capital Park and Planning Commission in the Prince George's County Approved General Plan and inside an area included in certain basic plan or conceptual site plans) and \$7,909 (all other buildings), reflecting an increase of \$8 and \$24, respectively.

Information obtained from DPIE staff indicates that 1,349 building permits were assessed a public safety surcharge, equating to a collection of \$9,518,159 in fees for the most recent fully completed fiscal year (FY 2019) for which information is available. Of the number of assessments, 411 were for residential units located within the Developed Tier, as defined by the Maryland-National Capital Park and Planning Commission in the Prince George's County Approved General Plan, and inside an area included in certain basic plans or conceptual site plans, and 938 were for all other residential units. For comparison purposes, assuming the number of assessments and collections during fiscal year 2020 and 2021 remains flat, with approximately 411 assessments for properties within the Developed Tier, or areas included in certain basic or conceptual site plans, and 938 assessments for all other buildings, total public safety surcharge revenues in FY 2021 are

estimated at approximately \$8,502,860. Applying the 0.3% inflation adjustment, as proposed in CR-043-2020, will result in an estimated increase of approximately \$25,800 in public safety surcharge revenues than what would have been generated from the same number of assessments and collections using FY 2020 public safety surcharge rates, based upon our assumption.

---

**Resource Personnel:**

Bellur Ravishankar, Associate Director, Department of Permits Inspections and Enforcement

---

**Fiscal Impact:**

*Direct Impact*

Adoption of CR-043-2020 may increase County capital budget revenue by an estimated \$25,800 in FY 2021, based upon our assumption of public safety surcharge assessments and collections remaining flat across fiscal years.

*Indirect Impact*

Adoption of CR-043-2020 should not have an adverse fiscal impact on the County

---

**Appropriated in the Current Fiscal Year Budget**

The public safety surcharge appropriation included within the FY 2021 approved capital budget includes the 0.3% inflationary adjustment.

---

**Effective Date of Proposed Legislation**

The proposed Resolution shall be effective on the date of adoption.

---

If you require additional information, or have questions about this fiscal impact statement, please call me.