

**Department of Legislative Services**  
Maryland General Assembly  
2000 Session

**FISCAL NOTE**  
**Revised**

House Bill 1094 (Prince George's County Delegation)  
Commerce and Government Matters

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**Prince George's County - Public School Facilities**  
**PG 416-00**

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This bill increases the school facilities surcharge imposed on new residential construction in Prince George's County from \$2,500 to \$5,000 per dwelling beginning in fiscal 2001. The county council is required to impose the school facilities surcharge. The school facilities surcharge does not apply to a single-family detached dwelling that is to be built or subcontracted by an individual owner in a minor subdivision and that is intended to be used as the owner's personal residence. In addition, the Prince George's County Council must impose the county's public facilities standards and requirements.

The Prince George's County Executive must prepare an annual report on the school facilities surcharge by August 31 of each year for the Prince George's County Council, the Prince George's County Senate Delegation, and the Prince George's County House Delegation.

This bill takes effect July 1, 2000.

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**Fiscal Summary**

**State Effect:** None.

**Local Effect:** Prince George's County revenues could increase by \$7.5 million annually beginning in FY 2001. Expenditures would not be affected.

**Small Business Effect:** Potential meaningful.

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**Analysis**

**Current Law:** The Prince George's County Council is authorized to impose a school facilities surcharge on new residential development to defray the cost of additional school construction; the maximum limit is currently set at \$2,500 per dwelling. In addition, the county government may impose an adequate facility test as part of the county's adequate public facility ordinance.

**Local Fiscal Effect:** Requiring a \$5,000 school facilities surcharge on each new residential dwelling results in a \$2,500 or 100% increase in the surcharge amount. With approximately 3,000 new residential dwellings being constructed annually in Prince George's County, county revenues could increase by \$7.5 million a year beginning in fiscal 2001.

**Small Business Effect:** Increasing the school facilities surcharge could delay or prevent certain development projects in the county. Such actions could affect an array of small businesses ranging from real estate and architectural firms to construction sub-contractors and landscape designers. The construction industry in Prince George's County accounts for approximately 7% of the county's employment; roughly 19,500 jobs.

**Additional Comments:** The State funds 75% of eligible costs for school construction projects in Prince George's County for the first \$35 million allocated by the State and 60% on any State funds in excess of \$35 million. Eligible costs account for approximately 75% of the total cost for a new school building. Noneligible costs include architectural and engineering fees, land acquisition, certain off-site development work, and square footage above the State formula.

A new high school in Prince George's County costs approximately \$35 million and a new elementary school costs approximately \$8.5 million. For a new high school, the county share would total approximately \$15 million and the State share would total approximately \$20 million. For a new elementary school, the county share would total approximately \$3.7 million and the State share would total approximately \$4.8 million. The cost for school wiring projects ranges from \$50,000 to \$250,000 depending on the magnitude of the project. The cost to add one additional classroom to an existing school totals around \$175,000.

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## Additional Information

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Prince George's County, Maryland-National Capital Park and Planning Commission, Department of Legislative Services

**Fiscal Note History:** First Reader - March 7, 2000  
jlr/jr Revised - House Third Reader - March 29, 2000  
Revised - Enrolled Bill - May 3, 2000

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